REASONS TO VOTE NO

TO THE LISBON TREATY

EU Constitution Referendum 2008

VoteNo.ie

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ANOTHER EUROPE IS POSSIBLE

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Introduction

It must be the luck of the Irish. In 2008, we will be the only ones to vote on the Lisbon Treaty. The four million strong population of a small island will be voting on behalf of the other 450 million Europeans. This unique situation has arisen because a Kilkenny farmer-turned-academic, Raymond Crotty, dared to legally challenge the Irish government in the late eighties over its handling of the Single European Act. His victory ensured that successive Irish governments would have to hold referenda on similar treaties. Their counterparts in the rest of Europe have, unfortunately, more room to manoeuvre.

In 2005, the voters of France and Holland were given a chance to vote on an EU Constitution. They proved to be a spectacularly ungracious lot and decisively rejected it. Their punishment is to be deprived of a right to vote on the Lisbon Treaty.

Some commentators assume that the French and Dutch vote arose from a lack of understanding or poor education – but this was not the case. The turn out in the referenda – at 70 percent in the French case – was higher than in most EU elections. It followed an intensive education campaign where tens of thousands of people attended meetings organised by both pro-and anti-EU constitution campaigners. The text of the constitution, which was published by a French state agency, even reached the best sellers list. But the more people read it, the less willing they were to vote Yes.

The No vote did not come from the right. There is a belief amongst some media commentators that when 'ordinary people' rebel against political leaders, they only do so by drawing on deep nationalistic emotions. However the rejection of the EU constitution in France – and in Holland somewhat more ambiguously – came from the left. A poll published in *Le Monde* showed that 55

percent of No voters were supporters of left parties while 19.5 percent were supporters of the far right politician, Le Pen. The main opponents of the constitution were anti-globalisation campaigners like ATTAC, public sector unions and left wing political parties. According to Susan George, a leading No campaigner, 'It was, of course, a class vote with the only socio-economic group registering a majority "Yes" vote being company managers and directors'.[1]

EU leaders often reprimand other states for their failure to win a legitimate mandate. But they do not accept the right of their own people to reject their cherished plans.

The EU Commissioner Günter Verheugen summed up this attitude when after the French and Dutch votes he declared, 'We must not give into this blackmail'[2]. This sounds like the parody that the playwright Bertolt Brecht once made of the rulers of East Germany when he remarked that they wanted to 'elect a new people'. The EU elite think their populations cannot 'understand' the intricacies of European integration. So they have deprived them of the most basic element of democracy – a vote. Except that is for the Irish.

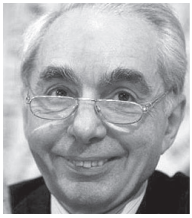
The official excuse is that the new Lisbon Treaty is different to the rejected constitution. As it is not a legal document to found a new EU super-state, the matter can be safely left in the hands of the ruling elites who will ensure it is accepted.

However, this argument does not stand up. The Lisbon Treaty contains no references to EU flags or symbols and thus removes some of the trappings associated with a constitution. But the vast majority of the rejected EU constitution re-appears under a new guise. Indeed, its own supporters acknowledge this.

Angela Merkel, the German Chancellor who initiated discussions on the Treaty, baldly stated, 'The substance of the Constitution is preserved. That is a fact'.[3]

The French politician Gistard D'Estaing, who was originally charged with drafting the constitution, agrees. 'The changes', he claimed are 'few and far between ... and more cosmetic than real'.[4]

The Danish Prime Minister Anders Fogh Rasmussen also agrees. 'The good thing ... is that all the symbolic elements are gone, and that which really matters – the core – is left.'[5]



'Look, you see, it's absolutely unreadable, it's the typical Brussels treaty, nothing new, no need for a referendum'. —*Giuliano Amato*

The Irish Taoiseach, Bertie Ahern, made a similar point. 'Thankfully, they have not changed the substance… 90 per cent is still there.'[6]

After the original constitution was rejected, the EU leaders called for a period of reflection. But behind the scenes, they encouraged an unofficial group to work on a new draft. Known as the Amato group, after the former Italian Prime Minister Giuliano Amato, this was composed of 16 'wise men' who were drawn from the European political elite. The group were joined by two serving EU commissioners but they kept their transactions with the Amato group a secret.

The Amato group developed a crude stratagem. Instead of clearly outlining their proposals, they wrapped the new version of the constitution in vast layers of complexity to discourage the population from scrutinising it. But they let slip their real agenda. One of the key participants of the Amato group Jean Dehaene, a former Prime Minister of Belgium, told *Le Soir* newspaper that it was 'dangerous talk to want too much transparency and clarity'.[7] Giuliano Amato, the convenor of the group, hailed the way the Lisbon Treaty had been given an 'unreadable' new form, full of cross-references and protocols. According to the *Economist*, he told a meeting in London, that this was done

> to help governments that were struggling to avoid 'dangerous' referendums on the new treaty (in Britain, the Blair government had promised a referendum on the constitution). Now, said Mr Amato, a British prime minister could say: 'Look, you see, it's absolutely unreadable, it's the typical Brussels treaty, nothing new, no need for a referendum'.[8]

This approach to political decision making means

that the Lisbon Treaty has some most unusual features. Instead of looking like a constitution, it is comprised of a series of amendments to two older treaties of the EU. These are the 1958 Treaty of Rome and the 1992 Maastricht Treaty, as later amended by the treaties of Amsterdam and Nice.
Detailed amendments are inserted which follow almost word for word the articles of the very constitution that was rejected in France and Holland. The result is a deliberately constructed tangle that is designed to put people off. There are about 175 pages of treaty text, 86 pages of protocols, and 65 declarations. The aim is to move the EU integration process forward with the maximum of haste and the minimum of transparency.

Historically, constitutions were often drawn up by a constituent assembly. These could either be elected directly from the people – or, indirectly, as nominees who were chosen by elected representatives. During the 1848 revolutions in Europe, for example, one of the main demands of the democratic forces was for a constituent assemble to reduce the power of the aristocracy. In the late 1940s, a constituent assembly was created in India to draw up the constitution of the newly independent state.

In the present EU case, however, 'wise men' have drawn up the document in secrecy.

Constitutions normally outline general principles that guarantee freedoms for citizens. Rarely, are they based on detailed economic proposals that 'lock in' future generations to current economic strategies. Yet this is precisely what the Lisbon Treaty does. At its core are a number of articles which turn the current neoliberal orthodoxy into a legal straightjacket for the future. Should circumstances change, the EU will still be legally obliged to follow failed Thatcherite policies.

The only people who can stop this charade are the Irish people All of which makes for a very intriguing referendum. In most political discussions, we are often urged to think about the 'national interest' and to put the country first. On this occasion, the terms of the debate are different: the Irish electorate is voting by proxy for the whole population of Europe. Moreover, the debate cannot be defined in terms of those who are pro or anti-European. There

is no reason to assume that a vote for or against the Lisbon Treaty indicates greater or lesser loyalty to 'Europe'.

The real question is what kind of Europe do we want. Do we want to continue the existing trends whereby the EU is more answerable to the needs of big business than to the wider population? Do we want to see a European army emerge to fight the resource wars of the 21st century? Or do we want a Europe that enshrines the spirit of 15 February 2003 when millions marched against Bush's wars? More broadly, do we want a Europe that is run by people who write constitutions to confuse or do we want a democratic, accountable Europe?

These are some of the questions that this short booklet will address. But before examining the detailed provisions of the Lisbon Treaty, let's examine the developments which brought the EU to this point.

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1 S. George, 'France's "Non" marks just the beginning of our campaign' *Europe's World* Autumn 2005 pp. 49-53

2 S. George 'From "constitution" to "reform" or from bad to worse' Transnational Institute www.tni.org/detail_page.phtml 13 December 2007

3 'EU Treaty is simply old constitution re-born'says creator Giscard D'Estaing' *Daily Telegraph* 17 July 2007

4 Open Europe: A Guide to the Constitution, London Open Europe 2007 p. 3

5 ibid

6 ibid

7 'For your eyes only' *Economist* 9 August 2007

8 ibid

Chapter 1:

The Rise of a Neo-Liberal Europe

Ireland joined the European Economic Community in 1972 and since then most people have remained broadly in favour. Europe was seen as a way to overcome economic backwardness. The main conservative parties, Fianna Fail and Fine Gael, promised considerable benefits for Irish farmers and the Common Agricultural Policy did, in fact, ensure an increase in output and incomes for many. However, it also led to a consolidation of Irish agriculture as it mainly benefited the larger farmers. Ireland has also gained from the structural funds, designed to overcome regional disparities. Between 1992 and 1999, for example, the country received £7.2 billion from these funds.[1] It fared even better than other peripheral countries such as Greece, Portugal and Spain, because the Cohesion Fund fed into a wider cycle of economic development.[2]

Beyond these clear and tangible gains, the EU was seen as a dynamic centre of the world economy. Just as many people in Eastern Europe make a link today between joining the EU and higher living standards, the Irish population made the same connection in past decades. In the Irish case it was not imaginary. The country's location behind continental-wide tariff barriers, combined with its own low tax regime, made it the location of choice for many US multi-nationals. For every seven US dollars invested in Europe, one went Ireland. This foreign investment eventually trigged the Celtic Tiger boom and allowed cynical politicians to warn the population that they must continually show 'loyalty' to the EU power structures. When people rejected this advice in the first Nice referendum, they were told that this was simply not good enough. They had to vote a second time to get the right answer.

The EU was also associated with bringing a more liberal and

The driving force was Pehr Gyllenhammar, the CEO of the car manufacturer Volvo, who brought the business leaders together

progressive outlook to Ireland. Many of the laws which advanced the status of women or outlawed discrimination originated in the EU. In the 1960s, many firms in Europe wanted to draw women into the workforce during a long boom and so they accepted the idea of equal pay. From the standpoint of a church ridden society, the EU looked like guarantor of liberal progress. But this was not always the case. For example, a protocol was added to the 1992 Maastricht Treaty that prevented Irish women from using any aspect of EU law to gain information or access to abortion facilities. Rights to information on abortion had to be won by Irish people themselves. Following the X-case in 1992, marches and protests forced the Irish state to allow 14 year old rape victim to travel to Britain for an abortion.

While Ireland was engaged in its own heated internal debates, few noticed how the political and economic face of the EU was changing. The process began in 1983, when forty five 'captains of industry' formed themselves into a European Round Table of Industrialists. The driving force was Pehr Gyllenhammar, the CEO of the car manufacturer Volvo, who brought the business leaders together for a project of 're-launching Europe'.[5] Two Irish figures, Peter Sutherland of Goldman Sachs and Michael Smurfit, the paper and packaging magnate, were later invited to join this exclusive club. The ERT became the most influential lobby group in the EU.

Back in the early eighties the members of the ERT were deeply concerned about 'eurosclerosis' – a term they used to describe low growth rates. They sought to address this by 'changing the way that Europe is managed' and asserted that 'industry is entitled to a system that delivers results – an EU that functions like an integrated economy with

a single centre of overall decision making'.[6] Gyllenhammar declared that 'Europe is really doing nothing. It's time for business leaders to enter this vacuum and seize the initiative'.[7] It was a call to fast-forward the integration of the EU economies on a neo-liberal basis.

Neo-liberalism is a set of ideas that promotes a utopian version of capitalism that harks back to the days of Adam Smith. It suggests that if 'distortions' to competition are removed, the market will function perfectly without booms or slumps. Neo-liberals, therefore, demand an end to all 'barriers' that prevent the mobility of capital and propose that corporations should be able to scour the world at will in order to make maximum profits. They see high taxes on profits as the worst 'distortion' and so demand monetary restraint from states so that taxes can be kept low. Instead of social welfare that gives the unemployed a safety net, they want 'labour activation' policies that force them into poorly paid jobs. The ultimate aim of neo-liberals is to 'shrink the state' by cutting back on public services and reducing social welfare.

The greatest obstacle to realising their dreams is popular resistance. Even the limited democratic spaces of modern societies create pressures on politicians to respond to demands for better public services or a welfare state. Neo-liberals, therefore, seek to 'seal off' many areas of political decision-making from 'the mob'. In their own language, they want to reduce the 'politicisation' of society so that 'market forces' and 'individual choice' can be freed up. One way to do this is to turn over sectors like the health service to unelected, supposedly independent bodies. In Ireland the Health Services Executive is one such body and is, in reality, run by supporters of big corporations. Another way is to transfer ever more power to an EU super-state that is out of the reach of most local populations.

Back in the 1930s the guru of neo-liberalism, Frederick Hayek called for the creation of a federal interstate system as a way of achieving these ambitions. Werner Bonefeld explains his rationale.

> The establishment of a super-national political framework was endorsed as a means that would encourage competitiveness, ... sup-

Delors used his credentials as a 'christian socialist' and a former union activist to woo leaders of the European Trade Union Confederation

> port the de-politicisation of economic relations ... and do away with restrictions on the movement of capital, labour and commodities.
>
> Furthermore, super-nationalism would narrow the scope for the regulation of economic life; discourage the solidarity of the working class through its national fragmentation; and 'render possible the creation of common rules of law, a uniform monetary system, and common control of communications. [8]

It does not follow that *all* efforts to create a supranational state are right wing. It merely suggests that the ERT had a ready-made agenda for pursuing a *particular* form of European integration. And, unfortunately, it was their influence that counted.

In January 1985, the chairperson of the ERT Wisse Dekker launched a five year plan to eliminate remaining 'barriers to trade' and to create a single market. Three days after he presented his paper, *Europe 1990*, the newly appointed president of the EU commission, Jacques Delors, delivered a speech which mirrored almost exactly Dekker's proposal. Delors had been a Finance Minister in François Mitterrand's government in France. This had started life with radical left wing policies but at the first signs of an 'investment strike' by international financiers it swiftly moved to impose austerity on French workers. By the time he had become President of the EU Commission, Delors had embraced a 'Third Way' model which gave full support to the free market while tacking on a few vague sounding social aspirations. The only change that Delors made to the ERT's proposals was to postpone them by two years and to set 1992 as the date for the completion of the Single Market. Later he candidly acknowledged that the 'continuing pressure' of the ERT was 'one of the main driving

forces behind the Single Market'[9]

While the single market was driven by the ERT, it was also given a fake progressive image. Delors used his credentials as a 'christian socialist' and a former union activist to woo leaders of the European Trade Union Confederation. These had faced many defeats in the 1980s and were susceptible to the suggestion that Europe could usher in 'social partnership' and 'social dialogue' through the back door. Instead of launching struggles to defend gains that European workers had won, they hoped that closer relations with an EU super-state could bring back a 'beer and sandwiches' era when they were regularly consulted by governments.

In reality, the social dialogue was like a pinch of salt thrown into a cake mix. A number of adjustments were made but the EU moved firmly in a neo-liberal direction. Policies were passed on health and safety but only because the bigger EU firms did not want to be undercut by smaller, more ruthless concerns. Moreover, as McGiffen points out 'this is an area which has suffered more than most from the problem of compliance and enforcement'.[10] A directive was passed on consulting workers but before it can be invoked a proportion of the workforce have to publicly identify themselves to their bosses through a petition. Even then, they only get 'consultation' but no real say in their company's investment strategies. There was a Directive on Fixed Term Work which gave some rights but it also helped pave the way to a more 'flexible' workforce. The social dialogue never gave workers an automatic right to union representation or any real say in the overall direction of the EU economy. That was, instead, driven by the neo-liberal policies.

The Single Europe Act and later the Maastricht Treaty in 1992 embodied the change of direction. The single market was designed to help 'industrial champions' grow into huge corporations that could compete on global markets. The original Treaty of Rome that established the European Economic Community included an Article 3 that promoted 'a common market free from distortions to competition'. But this was understood to mean the removal of protectionist quotas and tariffs. The 1992 single market involved a much more radical proposal to create a purer European wide market through removing 'non-tariff barriers'. This involved a number

Liberalisation is the polite term for privatisation and these directives were used to give cover to local politicians who wanted to sell off state assets. Typically, they told their electorates that 'there is nothing that can be done because of an EU directive'.

of key steps in the neo-liberal project.

There was, firstly, the principle of mutual recognition of product standards. If a product was made legitimately in one EU country according to its standards, it could not be prevented entering another EU country. Standards were sometimes used to keep out rival products and so the aim was to clear away these informal barriers. But instead of creating strong agencies on an EU basis that could deal with health or environmental standards, the mutual recognition principle ensured a lower regulatory regime. Each country certified its own products and unless there was a dispute these could then be 'passported' throughout the EU as legitimate products.

Second, there was a more active competition policy which was led by a Directorate General for Competition. The focus was not just the abuse by monopolies or cartels but one of its main targets was state subsidies. Throughout Western Europe, nation states had been pressurised by electorates to subsidise public services. In Ireland, semi-state companies also stepped in where private enterprise failed – often with a state subsidy. EU competition policy, however, targeted these state aids as a 'distortion' and so paved the way for public sector sell-offs.

The privatisation of Aer Lingus provides a good example. Transport Minister, Martin Cullen, told the Dail that the state could not put additional funds into the airline. He conceded that under EU rules, the Government could make a case but he said that:

> In all likelihood, however, there would be opposition from other airlines alleging state aid and a likely investigation by the European Commission

> before approval for such an investment would be forthcoming. On the other hand, the State cannot invest under EU state aid rules when the airline is in crisis, even if it was so disposed.[11]

'Irish commissioner Charlie McCreevy has announced that the full liberalisation of the postal service will occur in 2009

So EU competition policy led to the sell-off of a hugely efficient state company to competitors such as Ryanair and other investors.

Third, a series of EU directives were issued to promote the 'liberalisation' of whole sectors of the economy. Liberalisation is the polite term for privatisation and these directives were used to give cover to local politicians who wanted to sell off state assets. Typically, they told their electorates that 'there is nothing that can be done because of an EU directive'. They rarely explained that these directives had been formulated behind closed doors, often in close conjunction with industry lobby groups. Among the key directives which opened the way for the privatisation of Europe were those for telecommunications (1990) railways (1991) electricity (1996) postal services (1997) and gas (1998).

These directives were supposed to benefit the consumer but the real aim was to create opportunities for big business. Two examples indicate how they have worsened life for most consumers and workers.

One is the Postal Services directive. Here, the Irish commissioner Charlie McCreevy has announced that the full liberalisation of the postal service will occur in 2009. The 1997 directive originally opened up the sector to private corporations for large packages weighing more than 350 grams. Items below this were considered a 'reserved' area that only state postal services could handle. However, even these 'reserved' areas are to be abolished in 2009 but it is claimed that a 'universal service obligation' will still remain after privatisation. The

language used is very ambiguous. When it comes to privatisation the words 'shall' and 'must' appear in the directive but when it comes to guaranteeing that the same price will apply in rural areas as cities, the language shifts to 'provides' and 'allows'.

The only group that benefits from the break up of a postal system is big business. Postal services use a practice of cross-subsidisation to impose dearer prices on couriers who serve business in order to help pay for 'unprofitable' deliveries to, say, pensioners in North Mayo. 'Liberalisation' does away with this and means a poorer, more expensive service for many.

An Post has already been forced to sell off its highly profitable SDS courier service and this has helped to drive it further into debt. Ultimately, the break up of the postal system creates a two tier system whereby business gets a cheaper courier service from the privatised firms like SDS, DHL or Federal Express while rural post offices are closed. Meanwhile thousands of well paid postal jobs are slashed and replaced by cheap, contract labour to meet the new competitive needs of business.

The same thing applies to electricity. Irish consumers have experienced a sharp rise in energy prices in recent years and may have assumed this was due to rising oil costs. While oil prices are a factor, however, EU directives on 'liberalisation' have also helped to hike up prices.

The directives have required a 'full market opening' of electricity supply after 2007, forcing state companies like the ESB to allow in rival private competitors. The ESB has already been compelled to pay €120 million for a new billing and meter system to facilitate competition between suppliers.[12] And this is only the start.

As the electricity system is broken up into a host of private energy suppliers, more resources will be spent on software to coordinate it. In Britain, payments to software consultancy companies rose to €2 billion after privatisation.

The ESB has also had to offer a 10 percent discount to its private sector rivals to help 'give them a start'. It has been forced to spend €1.5 billion on contracts to buy electricity from Tynagh Energy and Aughinish Alumina even though they are more inefficient. It can only pay for these absurd measures by pushing up the costs to cus-

tomers.

Once again the main beneficiaries are private business. They like to 'shop around' and use their economic leverage to pit one supplier against another. Few domestic users, however, have the resources or interest in 'shopping around' and would prefer cheap energy supplied in the most environmentally efficient way. In the past Irish electricity prices were among the lowest in Europe for domestic users but not any more. In 1999 a survey by the UK Electricity Association found that only Greece and Finland paid lower tariffs than Irish consumers.[13] By 2005, however, figures from the International Energy Association ranked Ireland in fifth place out of thirty for higher prices.[14] De-regulation has already cost the Irish consumer dear.

The final area where EU integration is linked to neo-liberal economics is the creation of the euro. Few people want a return to Irish punts or French francs and many would love if sterling disappeared from Northern Ireland. However, just as the first steps to a Single Market were devised by the European Round Table of Industrialists, another lobby group played a key role in shaping the specific policies which brought about the euro. This time is was the Association for the Monetary Union of Europe.

This was founded in 1987 officially by the former French President Giscard d'Estaing and former German Chancellor Helmut Schmidt. In reality it was a front group created by five of the largest EU companies: Fiat, Phillips, Rhone Poulenc, Solvay and Total. Its first chairperson was again Wisse Dekker, one of the key people involved in the European Roundtable of Industrialists and a CEO of Phillips. The majority of its three hundred members are drawn from the financial and banking sector. UNICE, the European employers association is also a member of the AMUE. The influence of this lobby group meant that the single currency was closely linked to tight controls on state spending and a reduction of the power of elected representatives to intervene in economies. The single currency was seen as a way to intensify competition and to prevent governments using currency de-valuation to soften the way the market worked. As an economist with Morgan Stanley put it, 'If you remove currency as a safety valve, governments will be

forced to focus on real changes to become more competitive: lower taxes, labour market flexibility, and a more favourable regulatory backdrop for business'[15]

Restrictions on state spending emerged though a special Growth and Stability Pact which was promulgated in 1997 to define how countries had to 'converge' in order to bring about a single currency. They could not increase public sector deficit by more than 3 percent of Gross Domestic Product in any one year and gross debt could not exceed 60 per cent. To most people these may appear as technical measures but they conceal a deeply political intent. This is best explained by reference to one of the most famous economists of the 20th century.

John Maynard Keynes began as a conventional liberal before Wall St crash of 1929 but came to believe that free markets were far from perfect and needed a strong dose of state intervention. His big idea was that when recessions were looming, governments should increase spending in order to generate more jobs. Every pound – or in modern parlance, euro – spent would have a 'multiplier effect' because it stimulated economic activity and helped to create ever more jobs.

Keynes believed that this spending could be financed by increasing taxes in boom periods or, if necessary, by borrowing. These economic ideas were the common sense for parties of both the left and right until the early seventies and were implemented by governments of all persuasions.

The support that Keynesian economics gave to state borrowing and full employment meant that governments often compromised with organised labour. Instead of launching offensives to reduce wages they could periodically retreat with a policy of borrowing. The demand to impose legal limits on state spending, by contrast, came from Milton Friedman and Chicago School of Economics – the precursors of neo-liberalism. The EU Growth and Stability pact implements their policy. The EU wide limits also allow local politicians to claim that 'their hands are tied' when asked to provide better public services.

To copper fasten the shift away from elected representatives, the EU also introduced an 'independent' central bank. The European

Central Bank (ECB) is not supposed to take any instructions from EU agencies or national government but only responds to 'market forces'. Its main concern is 'price stability' rather than full employment. Where there is a danger of prices rising, it will increase interest rates – no matter what the social costs. Although the ECB claims to be independent of politicians, this only means that it is more subject to pressure from wealthy financiers who threaten to move money elsewhere if interest rates or economic conditions are not to their liking.

These complex set of measures have had a detrimental effect on the people of Europe. Millions of workers know that their share of the wealth is falling while the incomes of the super-rich are rising. That realisation was in evidence when, on the 18th October 2007, 200,000 trade unionists demonstrated in Lisbon to oppose the new EU Treaty. A statement from the World Federation of Trade Unions summed up the reason so many marched. It declared:

> It is obvious that the ruling circles of the EU are seeking in this way to entrench neo-liberalism as the operational model of the EU, a fact that will lead to the intensification in the attacks against the rights of working people which have been gained through the shedding of blood and struggles by the peoples of Europe. But [it will] also [lead] to the further undermining of the social state which at one time represented one of the characteristics of the European social model. [16]

Our subsequent analysis of the detail of the Lisbon Treaty will show how their fears are more than justified.

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1 D. Ferriter, *The Transformation of Ireland* (London: Profile Books 2004) p. 682

2 See L. Tsoukalis, *What Kind of Europe Oxford*: OUP 2003 p. 55 Figure 3.3.

4 S. McGiffen, *The European Union: A Critical Guide* (London: Pluto Press 2005) p. 98

5 N. Currid, 'A Rough Guide to the European Round Table of Industrialists' Spectrezine 30 January 2006 p 1

6 B. Balanya, A. Doherty, O Hoedeman, A. Ma'anity and E. Wesselius, *Europe Inc. Regional and Global Restructuring and the Rise of Corporate Power* (London: Pluto Press, 2003) p. 20

7 Currid, 'A Rough Guide' p. 1

8 W. Bonefeld, 'European integration: The Market, the political and class' *Capital and*

Class Summer 2002

9 Balanya et al, *Europe Inc*, p 22

10 McGiffen, *The European Union*, p. 96

11 Dail Debates Vol. 178 No. 21 2 December 2004

12 E. Oliver, 'Home electric market costs €120 million' *Irish Times* 2005 5 April 2005

13 E. Oliver, 'Republic's domestic electricity prices third lowest in Europe' *Irish Times* 21 June 1999.

14 International Energy Association, *Key Energy Statistics 2006* (Paris: IEA, 2006) p 44-45

15 Quoted in Balanya et al, *Europe Inc* p 56

16 WFTO European Regional Office Statement on EU Reform Treaty 23 October 2007

Chapter 2:

The 'Lock-In' of Corporate Rule

The political elite are trying to 'dumb down' the debate on the Lisbon Treaty by claiming that their opponents make dire Nostradamus-style predictions about the future.

The charge about dire, exaggerated predictions, however, is absurd. There is no need to make extreme predictions when, as last chapter showed, neo-liberalism is already embedded in the EU. You do not have to gaze into the future when present day evidence indicates where the EU is going. Our case against the treaty is based on two simple propositions.

One, is that Irish voters have been given a unique opportunity to give their opinion on how the EU was used to privatise semi-state companies like Aer Lingus. A protest vote against privatisation is perfectly legitimate. After all, politicians have repeatedly informed us that their 'hands were tied' because of EU competition policies. A No vote can help to untie their hands and bring the whole neo-liberal project into question.

Secondly, a textual examination of the Lisbon Treaty also provides ample evidence about the future intentions of the EU elite. It shows the EU will be 'locked into' a neo-liberal straightjacket. We shall try to illustrate this by examining the two treaties and numerous protocols that form the constitution. The first treaty is called the Treaty of the European Union (TEU) and the second is the Treaty on the Functioning of the European Union (TFEU) and, just to confuse you, each has different articles. Where not otherwise stated, the articles mentioned in this chapter refer to the latter treaty.

No Distortions on Competition

Article 3 gives EU leaders 'exclusive competence' in '*the establish-*

ment of the competition rules necessary for the functioning of the internal market'. This means that they can over-ride national governments who take measures which 'distort' the internal market. This little clause gives huge powers.

One of the main reasons why the French rejected the constitutional referendum was that it contained an even more explicit clause that referred to 'free and undistorted competition'. On the insistence of the French Prime Minister Nicolas Sarkozy this phrase was taken out of the list of objectives. But it was a pyrrhic victory because no sooner was it removed from the main text than it came in through the back door. Protocol 6 states that the reference to the internal market in the above Article 3 '*includes a system ensuring that competition is not distorted*' and gives EU leaders the power to remove these distortions.

A 'distortion' is a strange term but it can mean any intervention that nation states undertake in the market. These may involve a suspension of pure market principles in order to promote social objectives.

Whereas EU leaders are guaranteed powers to sweep away obstacles to competition, a far greater hesitancy is shown towards other social values. Article 3 is bold in giving an exclusive competence to the EU in sorting out problems pertaining to a customs union, monetary policy or competition. But far more mealy mouthed clauses are used when it concerns social responsibilities.

According to Article 9, the EU is merely supposed to ***'take into account'*** the promotion of high levels of employment, adequate social protection and a fight against social exclusion.

A further Article 18 states that the EU Council '***may*** *adopt measures concerning social security or protection*' but that it has to do so unanimously.

As if to restrict this even further, laws that might possibly create European wide standards on employment or public health are banned.

Article 127 states that '*the objective of a high level of employment* ***shall be taken into consideration*** *in the formulation and implementation of EU policies'*. But in case this vague aspiration was not sufficiently weak, Article 129 explicitly rules out any '*harmonisation of laws and regulations'* when it comes to cross

border employment projects.

Most people might regard EU standards on public health as a step forward. An EU law requiring states to give quick access to minimum standards of care might, for example, have saved Susie Long who died because she did not have private health insurance. EU wide laws to make vaccines freely available during epidemics, such as the Asian flu virus, would be equally welcome.

But, according to Article 176, while the EU '***may*** *adopt incentive measures designed to protect and improve human health and, in particular, to combat cross border health scourges,* these measures must exclude '*any harmonisation of laws or regulations of Member States'.*

It could hardly be clearer: Competition and removing market 'distortions' are viewed as the supreme values. But health, social standards or employment – where there could be genuine cross border standards – are relegated to mere aspirations that do not carry the same legal punch. The Lisbon Treaty, therefore, turns the EU into a turbo charged neo-liberal economy and a grossly underdeveloped society.

No Capital Controls

One of the dangers that any constitutional document faces is that it can burden future generations with the specific beliefs of today. One of the fashionable doctrines for modern neo-liberals is outlawing capital controls. The Lisbon Treaty contains a provision that bans capital controls on global finance – possibly for ever.

One of the supporters of this provision is Charlie McCreevy, who won fame in Ireland for his 'dirty dozen cuts' in social welfare. His record as the EU internal market commissioner is even more astounding for its craven admiration for global finance. He recently proclaimed that

> private equity funds ... including hedge funds ... play a much more valuable role than any government ... in driving Europe's growth and in equipping European industry to survive...[1]

Not everyone shares this benign view of the global financiers.

Some conventional economists such as Paul Krugman and Joseph Stiglitz came to favour capital controls after the devastating East Asia crisis of 1997 when bankers and private equity funds suddenly withdrew their money. Yet to protect the lords of finance, the EU commission set up an 'expert subgroup' to discuss future policy – composed almost entirely of representatives of international banks. Not surprisingly the group advised against all controls.

> It is suggested that additional regulation, which does not and arguably cannot accommodate the need for unrestricted investment freedom or the international organisation of business models, is likely to fail ... In particular, regulation of investment strategies is the very antithesis of the hedge fund business and would be misguided.[2]

This total opposition to any regulation of finance is embodied in an EU constitution. Article 56 states, that '*within the framework of the provisions set out in this chapter, all restrictions on the movement of capital between Member States and between Member States and third countries shall be prohibited.*'

The practical implications of this clause are enormous. Consider only the current financial crisis which was triggered by the unregulated freedom that the financiers demand.

They opened a global 'securities' market that bundled together packages of loans from all parts of the world. Although markets are supposed to be able to establish the real value of all commodities, the 'AAA rated securities' contained dodgy loans from the US sub-prime market. Today the world's banks no longer trust each other because they don't know how much bad debt each is carrying. The result has been a 'credit crunch' which is pulling the global economy into recession. Ruling out, by a constitutional decree, any possibility of capital controls for the foreseeable future is, therefore, extremely short sighted.

Consider, as well, the implications of the above article for one of the largest civil society organisations in Europe. The Attac movement was founded in 1998 in France as the Association for the Taxation of Financial Transaction to Aid Citizens. It began life as a moderate educational association that promoted the idea of

a Tobin tax, called after the US economist James Tobin who proposed a 0.25% tax on all currency transactions. However, the more Attac examined the working of the global financial system, the more they adopted a policy of promoting controls on the movement of finance across the world. They felt that hedge funds should not be given the freedom of a demolition ball to knock down everything around them. Yet no matter how popular Attac's demands become, they are ruled out, in advance, by the Lisbon Treaty.

US economist James Tobin who proposed a 0.25% tax on all currency transactions.

Public Services

Most of the population of Europe believe that they have a right to decent public services. The EU, however, has been used to undermine these services and the Lisbon Treaty carries that further.

There is no provision in the treaty that gives a legal basis to public services. Such a provision might exempt them from competition rules which impose market pressures. A number of key organisations across Europe have called for such measures but their pleas have fallen on deaf ears. The Platform of European Social NGOs proposed a legal instrument on 'social services of general interest ... in order to clarify how social services relate to the EU legal framework such as competition and internal market rules.'[3] Instead the Lisbon Treaty contains an ambiguous tangle that hides as much as it reveals.

The EU has developed its own special jargon for public services, which are known as either '**services of general interest**' or '**services of general economic interest**'. Both terms cover services such as water, electricity supply, waste disposal, health care, social housing provision or education. The distinction between the two cat-

egories is crucial but is hard to pin down. The only examples that the EU Commission gives of 'non-economic services' are the army, the policy and air traffic control. 'Economic' services appear to be those where there are charges and, accordingly, where a market operates.

If services are defined as 'services of general economic interest', they can be subject to competition rules in order to prevent their funding from 'distorting' the market.

The EU Commission has issued a communication that clarifies how the European Court of Justice has defined economic services in the past.[4] These include ambulance services or 'ancillary infrastructure' such as street lighting or signage which are needed in social housing estates. Henceforth, private corporations can demand that they have a right to provide such services and that the state must not 'discriminate' by providing additional funds to its agencies.

The specific Article 86 article of the Lisbon Treaty states

> *Undertakings entrusted with the operation of services of general economic interest or having the character of a revenue producing monopoly shall be subject to the rules contained in these Treaties,* ***in particular to the rules on competition,*** *in so far as the application of such rules does not obstruct the performance, in law or in fact, of the particular tasks assigned to them.*

This is a bit of a mouthful but the point is relatively clear. There are to be no 'distortions' of the market for items like ambulance services. The only get-out clause is where you can argue that the existence of a private ambulance service might ***obstruct*** the performance of assigned duties. It is doubtful, however, if the right wing judges of the European Court of Justice would view a private ambulance firm as an obstruction.

The next Article 87 in the Treaty is even worse. It starts with a general principle attacking the very idea of state aid.

> *Save as otherwise provided in the Treaties, any aid granted by a Member State or through State resources which distorts or threatens to distort competition by favouring certain goods, shall*

> *insofar as it affects trade between Member States be incompatible with the internal market.*

A few exceptions are allowed to this overarching rule such as aid given after natural disasters, aid for certain parts of Germany to help overcome partition and 'aid having a social character'. The latter refers to areas like social insurance schemes or public education, funded entirely from a state budget.

This broad sweeping article is a deadly weapon in the hands of those who seek to undermine state aid to public services. There are, however, some ambiguities and most discussion on this issue makes reference to the Altmark judgement of the EU Court of Justice. This, essentially, allowed for some forms of aid to meet 'public service obligations' but these have to be quantified in advance and the funding for them must not exceed how a 'well run' capitalist undertaking might do the job.

Whatever about the complexities, the crucial point is that the matter has been taken out of the hands of local societies who might democratically decide how their public services should be run and is now vested in the EU Commission. As Pierre Khalfa points out:

> It's the Commission that judges on possible exemptions. The Commission has, thus, all the power to open public services to free competition. This article provides the legal basis for the liberalisation of public services. In fact Article 87 makes assistance from the state for purposes of the common good almost impossible.[5]

Let us now take a concrete example to illustrate the implications of this legalese. Soon after the Lisbon Treaty was drafted, the schools in Ireland were informed that they had to pay for water charges. Schools were a defined as non-domestic users and so, according to the *Irish Times,* 'Taoiseach Bertie Ahern and Minister Mary Hanafin, insist the Government is powerless to block the charges because of the EU water framework directive'.[6]

The only positive result was that curiosity about the EU Water Framework directive was raised. Let's look exactly at what it states.

According to Article 9 of the Water Framework Directive,

> '*Member states shall take account of the principle of recovery of the costs of water services, including environmental and resource costs…*
>
> *'Member states shall ensure by 2010 that water-pricing policies provide adequate incentives for users to use water resources efficiently … [and that there be] an adequate contribution of the different water uses, disaggregated into at least industry, households and agriculture, to the recovery of costs of water services'*[7]

The language is, typically, cumbersome but here is a concrete example of how the EU treats a vital public service. Member states are instructed to make their populations pay for water from 2010 – no matter what their population think. The announcement that schools had to pay is only the first step towards to getting the population used to the idea of water charges. The neo-liberal assumption that a common resource should be dismantled to allow people to 'choose' how much water they wanted to pay for is cloaked in a concern for the environment. But other forms of conservation such as more public investment in the water infrastructure or greater supports for collecting rainwater were not even mentioned. Instead, the matter was decided in advance by a Brussels bureaucracy.

A vote for the Lisbon Treaty will, therefore, transfer further powers to an unelected EU Commission to make decisions on how much support the Irish people wish to give their public services.

A Neo-Liberal Overseer

The Lisbon Treaty enshrines free market capitalism as a constitutional principle and gives the EU Commission powers to sanction countries who they consider are in breach of it.

Article 98 states that *The Member States and the Union will act in accordance with the principle of an open market economy with free competition.*

It is then followed by Article 99 which gives the EU Council the right to '*formulate a draft for broad guidelines of the economic policies of the member States and of the Union*" and to have these voted on by a qualified majority vote.

Later it states that *Where ... the economic policies of a Member state are not consistent with the broad guidelines ... the Commission may address a warning to the Member State concerned'*

A neo-liberal could hardly want any more! They get a constitution which specifies that pro-capitalist guidelines are drawn up behind closed doors in Brussels and countries which do not adhere will be warned. But, in fact, there is more to come.

Article 104 gives the Growth and Stability Pact – or a future version of them – a constitutional status and countries have to comply with its '*reference value'*.

Where a country has 'excessive deficit', the EU Commission has power to draft a recommendation on what must be done. If after a certain time period, these are not complied with the EU Council can '*impose fines of an appropriate size'*. This is an outrageous attack on democracy.

Let us assume, for the moment, that Ireland's property crash worsened and that an elected Irish government believed that it was necessary to instigate a programme of extensive public works in order to employ redundant building workers and to deal with the housing crisis.

These provisions mean that a right wing EU Commission in Brussels could haul them up for having an 'excessive deficit' and fine them. In practice, this reduces the scope for political debate and helps create the type of 'consensus' politics which means there is little difference between main parties.

A Fast Track to Globalisation

The Lisbon Treaty confers important new powers on the EU Commission to negotiate with agencies such as the World Trade Organisation. Article 188 gives it power to open negotiations on a common commercial policy and then to report back to the EU Council. Countries will not be able to veto the results of these negotiations, in most cases. National political elites will instead claim that they have to implement WTO rulings as they were 'over-ruled by Brussels'.

To secure the legal basis for this, the Lisbon treaty creates a fast-track to economic globalisation.

Article 188b commits the EU *'to the progressive abolition of restrictions on international trade and on foreign direct investment'*.

Article 188d strengthens this by stating that the EU's negotiating stance will be based on *'the achievement of uniformity in measures of liberalisation.'* This means that the EU will press for privatisation in the countries and regional blocs it negotiates with.

The current EU practice is to pressurise poorer countries to 'open up' their public services to European corporations. In 2003, leaked documents obtained by the World Development Movement showed that the EU was using the General Agreement on Trade and Services to demand that more than a hundred poorer countries open their 'water distribution' networks for European companies.[8] These requests originated from a lobby group, the European Services Forum, which is supported by giant water companies such as Suez, Vivendi and RWI/Thames Water.

The EU has recently been negotiating Economic Partnership Agreements with a number of African, Carribean and Pacific counties. Andy Storey has argued that the EU normally presses:

> demands for the liberalisation of public procurement ... [and] pressure to ensure that European firms receive at least as favourable treatment as local ones ... meaning that government would not be allowed to discriminate in favour of locally owned firms or require European companies to abide by special conditions with regard to local employment or procurement. [9]

Irish history shows how the Act of Union, that created a free trade area between Ireland and Britain, was used to break up local industries. It seems particularly invidious, therefore, to give the EU Commission power to pressurise poorer countries today to do the same.

These powers will bring a 'blowback' for the European population. The EU and the US are currently the main proponents of globalisation at the WTO. Sometimes they fall out with each other but the unique structure of the WTO, which is organised around

a 'judicial panel' of three unelected trade experts, allows each to press for an ever-faster 'race to the bottom'. So the US agri-business got its government to take the EU to the WTO 'court' to force it to end its moratorium on GM foods. Similarly, the EU is currently taking the US to court over subsidies it has granted to aerospace manufacturers. Despite these disputes, the fast tracking of globalisation proceeds and the world is increasingly turned into a pure market based society. This in turn has consequences for the people of Europe.

If the EU Commission is mandated to negotiate at WTO level on the basis of '*achieving uniformity in measure of liberalisation*' and removing restrictions on international trade, then this will lead to the further 'opening' of services in Europe itself. The Lisbon Treaty only specifies one area where a national veto on the outcome of international trade agreements will still unconditionally apply – that of cultural and audiovisual services.

It is sometimes claimed that the treaty gives protections to other areas such as health and education. But a careful reading suggest that this is not so.

Article 188c states that a national veto will only apply in areas such as education and health services when '*these agreements risk seriously disturbing the national organisation of such services*'. Where health or education service is not 'seriously disturbed' by the entry of giant US corporations such as Triad health care or the Kaplan educational company, they will be given entry.

Welcome to the globalised world of 'service providers' who sell you what you previously had as a social right.

A Bankers' Bank

One of the main financial instruments that states used to have was their ability to adjust interest rates to suit their economies. High interest rates were often imposed when there was a danger of inflation and low interest rates were used to stimulate employment.

The neo-liberal movement, however, demanded tight monetary controls to be exercised by an 'independent' central bank. Once again, they wanted to 'seal off' an area of economic policy-making from public pressure. The Lisbon Treaty gives them a constitution-

al protection to this aspiration. Article 108 states that

> *'neither the European Central Bank, nor a national central bank, nor any member of their decision making bodies shall seek or take instructions from [European] Union institutions, bodies, offices or agencies, from any government of a Member State or from any other body'*

It could hardly be clearer. The ECB is completely independent of any democratic political influence.

Moreover, the European Central Bank has been given an extremely conservative mandate. Article 105 states baldly, that *'the primary objective of the European System of Central Banks – [the ECB and national central banks] – shall be to maintain price stability'*. It further mandates it to '*act in accordance with the principle of an open market economy with free competition, favouring an efficient allocation of resources.'*

This particular mandate gives the ECB a legal degree of independence that is greater than even the US Federal Reserve and the Bank of Japan. The Bank of Japan, for example, is mandated to 'always maintain close contact with the government and exchange views sufficiently'.[10] The US Federal Reserve system operates according to a three fold mandate that has as its goals 'maximum employment, stable prices and moderate long term interest rates.'[11] Stable prices are thus only one goal and needs to be considered alongside the other two.

These differences can be important. If the sole goal of a central bank is squeezing inflation out of a system, this can mean turning a blind eye to rising unemployment. Moreover, the absence of a mandate in the ECB for 'moderate long term interest rates' should be of some concern to the Irish population who shoulder one of the highest debt ratios in Europe.

The recent behaviour of the ECB shows how limited its supposed independence really is. The bank admonishes national governments about restraint in public spending yet when the financial speculators got themselves into trouble, all these nostrums were thrown out the window. It has responded to the financial crisis

that hit banks like Northern Rock crisis by pumping nearly €100 billion into the banking system. Then when this was not sufficient to stop the growing 'credit crunch', the ECB suddenly announced in December 2007 that it was making 'unlimited' funds available at cheap rates to help the speculators. Erik Nielsen, an economist with Goldman Sachs summed up their delight. 'This is basically Father Christmas to those who have access. They are bailing out people who have not really adjusted their balance sheets to the new reality.'[12]

The independence that the Lisbon Treaty gives the European Central Banking system, therefore, amounts to this: punishment for governments who increase public spending but security for speculators who get their fingers burnt.

'This is basically Father Christmas to those who have access. They are bailing out people who have not really adjusted their balance sheets to the new reality.' *Erik Nielsen, Goldman Sachs*

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2 Quoted in B. Hager, 'Hedge Fund Power and the Limits to Regulation in the European Union' Paper presented for the Nordic International Studies Association conference 24-25 May University of Southern Denmark, Odense.

3 Platform of European Social NGOs statement, 'Social Platform' April 2006

4 EU Commission Communication 20 November 2007 'Services of general interest, including social services of general interest: a new European commitment' http' ://ec.europa.eu/services_general_interest/index_en.htm

5 P. Khalfa 'EU Reform Treaty: Unacceptable on account of its method and content' Attac 17 September 2007 www.attac.org

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10 D. Gerdesmeier, F. Mongelli, B. Roffia, 'The Eurosystem, The US Federal Reserve and the Bank of Japan: Similarities and Differ-

ences' ECB Working Paper Series No. 742 March 2007 p. 116.

11 Federal Reserve Act, Section 2A.1. Quoted in D. Gerdesmeier et al, Eurosystem, The US Federal Reserve and the Bank of Japan, p. 13

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Chapter 3:

The EU and Militarism

The Lisbon Treaty creates new openings for involvement in military adventures. The key issue that dominates international relations is the long, slow decline of the US empire. Its difficulties in Iraq, combined with its weakening economy, has created a new global instability.

The US's own response is to use its overwhelming military superiority to hold on to geo-political influence. So it issues threats against Iran and has begun a military encirclement of Russia. Simultaneously, it concludes alliances to arm India and Japan in the hope of containing China. Its principal rivals, however, have also embarked on long-term strategies to take advantage of its weakness.

China is increasingly active in winning influence in Africa while Russia is slowly re-building its industrial and its military strength. In brief, the world has become a far more dangerous place, probably on the brink of a new round of imperial rivalries.

This is the background against which we must judge articles in the Lisbon Treaty which pave the way for a new EU militarism. The relevant amendments this time are to the Treaty of the European Union and in this chapter we will be referring to this treaty, unless otherwise stated.

Battle Groups

Article 27 baldly states that '*the common security and defence policy shall be an integral part of the common foreign and security policy*'. This is a big step from the original Maastricht Treaty that included the phrase 'which might in time lead to a common defence'. Now there is no hesitancy – involvement in the EU means sharing a defence policy with countries which made war at the behest of George Bush. There is still a national veto on 'common de-

in September 2002, the US Secretary of State, Donald Rumsfeld, announced that a NATO Response Force would be established

fence' – but, probably, only for the moment.

Since the Irish population last voted on the Nice Treaty, the EU has developed a new military strategy based on 'battle groups.' The Lisbon Treaty gives these developments legal support. Article 27. 3 states that '*Member states shall make civilian and military capabilities available to the Union for the implementation of common security and defence policy.'*

Article 28 lists out a number of tasks which member states might be asked to support. These include *'joint disarmament operations, humanitarian and rescue tasks, military advice and assistance tasks, conflict prevention and peace-keeping tasks, tasks of combat forces in crisis management, including peace making and post-conflict stabilisation'.*

'Peace-making' as distinct from 'peace-keeping' is the new code word for waging war. 'Post-conflict stabilisation' refers, of course, to the activities of an occupation force. Once these items are de-coded, the list includes virtually everything that a regular army would do.

The origin of EU battle groups go back to a Franco-British summit in Le Touquet on 4 February 2003 when both countries agreed to press for 'European capabilities in planning and deploying forces at short notice, including initial deployment of land, sea, and air forces within 5-10 days.'[1] The timing of the summit, which was held just before the US-British invasion of Iraq, was important.

A few months before, in September 2002, the US Secretary of State, Donald Rumsfeld, announced that a NATO Response Force would be established. He was then at the height of his power and was determined to override his 'conservative' army generals and embark on a 'revolution in mili-

tary affairs'. US military strategy was changed to put greater emphasis on light 'rapid reaction forces' that could be deployed in five days. Rumsfeld believed that the new wars of the 21st century would be fought in 'rogue states' and would be an 'asymmetrical warfare' which NATO could win by using overwhelming 'shock and awe' tactics to decapitate enemy command centres. Hence the motto of NATO's Response Force was 'the first force in... the first force out'.[2]

We need to develop a strategic culture that fosters early rapid, and when necessary, robust intervention. ***Javier Solana the EU High Representative for Common Foreign and Security Policy***

Rumsfeld's military ideology was imported into the EU via the Le Touquet summit. There was a delay because of the outbreak of the Iraq war which exacerbated tensions between France and Britain. A year after their summit, the EU Military Committee began to develop the battle group concept. In June 2004 the EU Council approved a plan known as 'Headline Goal 2010' to develop its militarisation programme. This document included a detailed year by year set of 'milestones' which countries were supposed to reach in order to make the overall programme a success. One of the first milestones was the formation of thirteen 1,500 strong 'battle groups' which were intended to be made ready for operation by 2007. Each country contributing to the battle groups was to be 'categorised on the basis of their combat effectiveness'[3]

Few people – apart, possibly, from the Irish Defence Secretary Willie O'Dea – are under any illusion aabout the nature of these battle groups. In 2003, Javier Solana the EU High Representative for Common Foreign and Security Policy wrote a security strategy document entitled 'A Secure Europe in a Better World'. In it he argued that:

> We need to develop a strategic culture that fosters early rapid, and when necessary, robust in-

> tervention. As a Union of 25 members, spending more than €160 billion on defence, we should be able to sustain several operations simultaneously.'[4]

Jaap de Hoop Scheffer, the Secretary General of NATO spelled it out,

> Battle groups could be used to go to war. Why did the EU create the Battle Group? It is not just to help rebuild a country. The Battle Groups are not just for building schools. We shouldn't think the EU is for soft power and NATO for tough power.'[5]

Each battle group is capable of operating at least 6,000 kilometres from the borders of the EU – an area that includes much of Africa and the Middle East. There is a lead nation which takes operational command and the battle groups are to be capable of engaging in pre-emptive strikes. The EU Security strategy stated that;

> Our traditional concept of self-defence ... was based on the threat of invasion. With.. new threats, the first line of defence will often be abroad ... we should be ready to act before a crisis occurs.[6]

These sinister developments occurred without any real debate among the people of Europe. However, the Lisbon Treaty is giving constitutional support to these developments.

Irish Neutrality

The Irish government has tried to hide the implications of these developments by claiming that Irish neutrality is safe in their hands. This is laughable when account is taken of the fact that over 1 million US troops have been allowed to pass through Shannon airport. Far from defending any neutrality, this government has turned Ireland into one of the major US hubs for the conduct of its war on Iraq.

It is now trying to reduce the concept of neutrality to a discussion about a 'triple lock'. By this is meant a procedure whereby Irish troops can only be deployed abroad when approval is given by the UN Security Council, by the government and by the Dail. It

is claimed that these safeguards will prevent Irish troops being deployed in conflict zones which embroil them in imperialist wars.

Nothing could be further from the truth – and the evidence is already there. Firstly, a small number of Irish troops have already been deployed in Afghanistan since 2002. They are part of a NATO led multi-national force which has already killed thousands of Afghans. True, the Irish troops are on patrol in the relative safety of Kabul rather than in the killing fields of Helmand province – but they are still part of an imperialist occupation force.[7]

Second, there is an inherent contradiction between a triple lock and the idea of a battle group. No less a figure than John Gormley, leader of the Green Party acknowledged this while in opposition. 'Is it not clear that involvement in closer co-operation as regards mutual defence is not compatible with the triple lock the Minister claims he does not want to abandon?' he asked Defence Minister Willie O Dea on 26 January 2005.[8] A Green Party policy document put it even more succinctly 'Triple locks take time to open. And Rapid Reaction Forces don't have time.'[9]

It should, therefore, be totally inconsistent for the Green Party to endorse the Lisbon Treaty. But this is precisely what John Gormley and fellow Minister, Eamon Ryan, are doing in order to appease their new bedfellows in Fianna Fail and the PDs.

Strangely enough, an EU Exercise Study in 2006 grappled with very problem that John Gormley raised: how to overcome the 'political difficulties' which the deployment of battle groups created for particular countries. A report of their deliberations noted that:

> Since no contributing country would want to be in a position where its domestic decision making process hampers the ability of the EU Battle Group to deploy on time, workabouts are likely to be employed.[10]

Among the 'workabouts' suggested were 'deploying military forces to the vicinity of an area of operations while awaiting formal approval'. Even more strangely this is precisely what the Defence (Amendment) Act 2006 allowed for after it was rushed through the Dail! Henceforth Irish soldiers can be deployed to the vicinity

of war zones – while awaiting approval from the Dail.

The next test of European imperial ambitions is already looming on its own doorstep. In 2008, the EU will recognise the independence of Kosovo and will deploy a 'policing mission' to the area. Russia is strongly opposed to such moves and will veto any UN support for it because it claims that recognition of Kosovo is likely to trigger of 'a chain reaction' of instability across the Balkans.[11] By contrast, key figures in the EU see intervention in Kosovo as a virility test for its wider ambitions. One EU diplomat, who spoke on condition of anonymity said 'We must be fast and decisive because the EU is showing it's boss in its own courtyard ... We must leave no space that will create a vacuum'.

The lines of conflict between new imperial frontier zones are thus already coming into view. The EU battle groups will be used to assert the 'right' of the big powers on the Western Europe to reclaim spheres of influence from Russia in central Europe and from China in many African countries.

The Irish population have a unique opportunity to slow down these developments by voting No to these provisions of the Lisbon Treaty.

An Alliance with NATO

How will the development of EU Battle Group affect a country's relationship with the US-led NATO alliance?

This is a question that has bedevilled the Euro-elite because it opens an important fault line in their midst. Traditionally, the ruling strata of Europe have contained both 'atlanticist' and 'federalist' factions. The 'atlanticists' favour a closer alliance with the US and are stronger in Britain and in east and central Europe. The 'federalists' used to be in the ascendancy in France and Germany and dream of a Europe that has greater autonomy from the US. During the Iraq war, these tensions paralysed the European project and may re-emerge in future. But for the moment, the Lisbon Treaty promotes a strong link with NATO.

Article 27 states that EU defence policy will '*respect the obligation of certain Member States, which see their common defence realised in the North Atlantic Treaty Organisation (NATO)... and*

be compatible with the common security and defence policy established within that framework.

To enforce the point about compatibility with NATO, a further clause is added in Protocol 4 which asserts that '*a more assertive [European] Union role in security and defence matters will contribute to the vitality of a renewed Atlantic Alliance'.*

The North Atlantic Treaty Organisation was formed during the Cold War when European countries accepted US 'leadership'. With the end of that war and the dismantling of the USSR, it should have been disbanded and Europe should have been allowed to develop its own policies. However, the continued existence of NATO gives the US leverage to pressurise European countries to toe its line.

A good example occurred after the US unilaterally announced in 2007 that it was siting a 'missile shield' in Poland and the Czech Republic. This included ten missile interceptors and a new radar system and was supposed to protect against a threat from 'rogue states' such as Iran. However, Russia quickly saw it for what it was – part of an old Cold War strategy to encircle it with US military hardware. It responded by developing a new Bulava missile system capable of carrying nuclear warheads.[12] Its defence spending was also due to rise by 30 percent in 2007.

Soon after the US's initial unilateral announcement, NATO rowed in behind it. Its Secretary General Jaap de Hoop Scheffer reported that 'the unanimous view was that the principle of indivisibility of security should apply'.[13] Here, therefore, was a case of the military planners, who were thousands of miles away in the Pentagon, triggering off an arms race in Europe. The only justification for such 'interference' is that the US is providing a 'security cover' to its allies in NATO. The Lisbon Treaty gives legitimacy to this alliance that has the potential to threaten the peace in Europe.

The links between the EU and NATO have, in fact, intensified in recent years – again without any real discussion by the peoples of Europe. The EU High Representative for Common Foreign and Security Policy, Javier Solana, is a former NATO Secretary General. A special EU-NATO agreement was concluded in March 2004 which included 'mutual crisis consultation arrangements that are

'In practice many EU countries will double-hat various troops to EU and NATO rapid deployment forces. It is up to those countries to ensure that their resources and personnel are not in simultaneous readiness to two different groups. In practice, the Battle Groups will be mostly trained.' in NATO exercises.
An official of the Finnish Ministry for Defence

geared to efficient and rapid decision making in each organisation.'[14] The 'Berlin Plus' agreement that was concluded between the two organisations gives EU access to NATO planning through a NATO representative on the EU military staff. It allows the EU to request the use of NATO assets and capabilities and agreed procedures for ways to pay for them. An official of the Finnish Ministry for Defence spells out the links:

> In practice many EU countries will double-hat various troops to EU and NATO rapid deployment forces. It is up to those countries to ensure that their resources and personnel are not in simultaneous readiness to two different groups. In practice, the Battle Groups will be mostly trained in NATO exercises.[15]

An EU Factsheet on the EU Battle Groups confirms this understanding of clearer links with NATO. It states that the battle groups are being developed 'in full complementarity and mutual reinforcement with NATO and NATO initiatives such as the NATO response force.' Non-EU countries who are members of NATO but who are candidates for EU accession can join the battle groups. The battle groups are to have 'interoperability' with NATO and to be linked in command structures.[16]

The close links with NATO demonstrate how wrong it is to see the growth of an EU army as a counterbalance to the US. This is a view championed by writers such as Jeremy Rifkin who argues that American and European cultures 'sport two very different ideas of the way foreign policy and security ought to be developed'. He claims that the Europeans 'seek security in strengthening international laws, especially laws governing universal human rights' while the US simply puts its own na-

tional interest to the fore.[17] However, the ties to the US-led NATO war machine mean that this dichotomy cannot be sustained. When EU countries are pressurised into backing a new missile shield on their own continent by the US, it is simply not possible to talk of a 'counterbalance'.

The Lisbon Treaty should be rejected because the constitutional backing for NATO implicates us in an atrocious record of blood and murder. Amnesty International has issued a damming report accusing NATO of war crimes during its bombing campaign in the former Yugoslavia. This action, which was led by the US, involved the use of cruise missiles, cluster bombs and depleted uranium munitions. Despite a 1949 Geneva Convention prohibition on direct attacks on civilians, Amnesty International pointed to the bombing of the Serbian radio and television headquarters, where 16 people, died as a deliberate act of murder. In all, NATO killed an estimated 400-600 civilians in a war to extend its sphere of influence to Eastern Europe.[18]

The Lisbon Treaty grants NATO a near permanent role in EU defence for the future. We should clearly say NO.

Spend More on Military

The Lisbon Treaty commits governments to increase their spending on the military.

Article 27 states that '*Member states shall undertake to progressively improve their military capabilities*'.

One learned UCD Professor improbably claimed that this clause did not 'require' governments to spend more on weapons. However, Raymond Deane from the Irish Palestine Solidarity campaign made a devastating reply.

> According to my Collins dictionary, 'shall' (as in 'shall undertake') indicates 'determination on the part of the speaker, as in issuing a threat', or 'compulsion, esp. in official documents' All of which, in my reading, amounts to contention that enhanced military capacity is 'required' by the treaty.[19]

Even without this semantic duel, the meaning of the Lisbon Treaty

article should be abundantly clear.

The European arms industry has been pressurising the EU to spend more on weapons. The big three manufacturers are EADS, Thales and BAE Systems. After the terrorist attack on New York on 9/11 they ran a systematic publicity campaign urging the EU to 'beef up their spending on defence research, technology and acquisition.'[20] Their efforts were supported by lobby groups such as New Defence Agenda and the Kangaroo Group which organised closed door lunches for EU dignitaries.

These efforts soon met with considerable success. In 2003, a 'Group of Personalities' was brought together by two EU Commissioners, Busquin and Likanen, to propose a new European Security Research programme. Of the 25 'personalities' besides the two EU Commissioners, eight were drawn from arms producing companies but not one human rights or peace activist was involved. The primary aim of this group was to break down the barriers between civilian and military research in order to allow for an increase in funding for the latter.

Before long the EU Research Commissioner was also happy to sing from the same hymn sheet. He told a 'dinner debate' at the Kangaroo Group that 'this distinction between civil and military research is becoming more artificial and expensive. The threats of security don't consider this distinction'[21]

Through these backroom manoeuvres, the European Defence Agency was born in 2004. It is the first EU initiated armaments agency and was a big victory for the arms manufactures. Its express aim is to increase defence budgets across the EU; promote 'interoperability' between the different national armies so they are using similar weaponry; and help develop a vision of Europe's long term military needs.

Within a short period, it has developed new procurement procedures to stimulate the EU arms industry.

One of the EDA documents entitled 'An Initial Long-Term Vision for European Defence Capability and Capacity Needs' gives a chilling insight into its mindset.

The document is a blueprint for conducting 21st century warfare where boundaries between military and civilian activities are

broken down.

The context for these 21st century resource wars is first spelled out clearly with the statement that:

> By 2025, Europe will be externally dependent for 90 percent of its oil and 80 percent of its gas. China and India will drive global energy demand and seek new sources in central Asia, Africa and the Middle East. In this and other ways, European security interests may be directly or indirectly challenged by tensions arising not only in the near neighbourhood but also further afield.[22]

These changed circumstances, it adds, give rise to 'the changing role of force'.

> Traditionally, war and politics were practicised sequentially – and war involved large unconstrained violence, directed towards destroying opposing conventional forces. Today and tomorrow, force will be intimately interwoven with political (and media) developments – and will typically be applied in opaque circumstances against an obscure enemy under tight rules of engagement and 24/7 media scrutiny.[23]

The EDA document predicts that the EU will be fighting 'David and Goliath' style wars where the enemy will use unconventional tactics and will not wear uniforms. The Davids can only be defeated through new power-instruments involving 'electromagnetic or directed energy, offensive counterspace, military deception and psychological operations'.[24]

The document wants greater investment in naval operations as EU forces need 'a reduced footprint' because of 'the problems that civilian opposition and insurrectionary movements can pose for land as a military base'[25]. Other problems for land use stem from 'political sensitivities over deployment and host nation support of troops in the territory of allies.'[26]

Despite the military technical jargon, the issue could hardly be clearer: The Lisbon Treaty requires countries to engage in higher levels of military spending to fulfil the dreams of the military plan-

ners who wrote this EDA blueprint for imperialist adventures.

The Irish people should say No on behalf of everyone else in Europe who despises war and empire.

A War on Terrorism

Terrorism is an ugly tactic, engaged in by desperate, weaker forces. It has been used by a variety of movements, ranging from the IRA to the ANC to present day Islamic militants. Each of the aforementioned groupings will, undoubtedly, deny a connection with each other and will often disavow particular tactics used. But the point is that terrorism is simply a tactic that can arise in different ways in different political contexts.

The Bush regime, however, has managed to declare war on this tactic. 'The war on terror' is inherently an absurd concept because, while you can fight an enemy, you cannot fight a particular tactic. So when Bush announced, for example that the prisoners in Guantanamo would be locked up until the end of the 'war on terror', his statement was meaningless. What he was implying, however, was that he never wanted to release them.

The Lisbon Treaty adopts the same language to give European rulers an open-ended excuse to make war. Article 28 gives the EU the power *'to fight terrorism, including supporting third countries in combating terrorism'*.

Who are these countries which the EU will support in combating terrorism and who will dictate which enemy is to be fought? It is by no means clear. It could include the US if, after another terrorist attack, it wanted to lash out at Iran or Syria. Or it could be a host of pro-Western governments in Africa which Brussels wanted to support against 'terrorist' insurgents. The clause is entirely open ended.

A further 'solidarity clause' goes even further by obliging EU governments to come to each others assistance in the event of a terrorist attack. Article 188r.1 reads

> *The [European] Union and its Member States shall act jointly in a spirit of solidarity if a Member State is the object of a terrorist attack ... The Union shall mobilise all resources at its disposal, in-*

> *cluding military resources to protect democratic institutions and civilian population from any terrorist attack.*

Article 188r 2 reads:

> *Should a member State be the object of a terrorist attack ... the other Member States shall assist it at the request of its political authorities.*

These are extremely vague clauses that have the potential to involve millions in wars. Let us assume that there was a bomb attack in France carried out by an embittered force who objected to its supply of arms to Hutu militias. Or that a separatist force in Hungary or Romania carried out an attack on one of their major cities. The clauses would give these governments the right to call on Irish forces, even if they decided to respond by attacking the 'home bases' of the terrorists in countries thousands of miles away from the initial atrocity.

If there is any clause that is likely to pave the way for the 21st century wars that the EDA documents foresaw, then this surely is the one. We should reject such loose, open-ended articles in the Lisbon Treaty.

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Chapter Four:

This is Not What Democracy looks like

Supporters of the Lisbon Treaty argue that it is mainly about 'internal housekeeping' and involves some 'tidying up' of existing institutional arrangements. Any serious examination, however, shows that this is a gross exaggeration. The Treaty lays the foundation for a Euro super-state of the future.

In this chapter, we shall outline some of the important changes which the Treaty introduces and then show how a transfer of power to the EU represents a diminution of democracy. This argument does not rely on a claim that 'national sovereignty' is intrinsically better.

Instead we will try to show how there is a bias in the EU to play down popular influence on decision making and that the Lisbon Treaty has done nothing positive to address this. In order to make this case, it is necessary to present the briefest guide to the EU maze.

At present the EU has a number of main governing institutions.

- The *European Council* is composed of the heads of state or government of the member countries. This meets twice a year in the form of a European summit and sets the broad agenda for political decisions. These are followed through by the *Council of Ministers* which consists of the ministers from the member states who are subdivided into the Council of Agricultural Ministers or the Council of Foreign Ministers and so on. This operates through a weighted vote system where the bigger countries get more votes, according to their population size.
- The *European Commission* is the body charged with the day to day running of the EU. It is an unelected body composed of nomi-

nees from each country who are no longer supposed to represent national interests. It is also the guardian of the treaties agreed by the EU and a mediator between the different governments.

- The European *Parliament* is the only directly elected body and has currently 785 MEPs. It has limited legislative powers and has a veto over the appointment of the EU Commission.[1]

The Building Blocks of a Super-State

The Lisbon Treaty builds on these foundations but introduces a number of important institutional changes. The clear aim is to gradually forge a super-state of Europe.

The Treaty creates a new EU Presidency who will dominate the EU Council and emerge as the main figurehead of the EU. Article 9b of the TEU states that '*The European Council shall elect its President, by a qualified majority, for a term of two and a half years, renewable once*'.

Up to now the chair of that Council has rotated and has been occupied by the leader of the particular country that plays a caretaker role for six months. Under the new arrangements, however, it is now stated that '*The President of the EU Council will not hold a national office*'.

The aim is to build up a figurehead who stands above national interests and represents the EU as a whole. He or she, however, will not be elected by the people of Europe.

The Lisbon Treaty also creates a new Foreign Minister for the EU who will have the ungainly title of '*The High Representative of the Union for Foreign Affairs and Security Policy*'.

His or her main purpose will be to tie the member states ever tighter into a common foreign policy. Article 17:2 of the TEU, for example, removes the national veto and ushers in a system of qualified majority voting when dealing with a '*proposal which the High Representative of the Union of Foreign Affairs and Security Policy has presented following a specific request to him or her from the European Council.*'

Let us suppose for the moment that EU Ministers unanimously agree to ask the Foreign Minister to come up with proposals to deal with the crisis in Kosovo and any conflicts that arise with Russia.

Once he or she comes back with specific proposals on the issue, the national veto of Ireland to decide its own policy on the issue is removed.

The new EU Foreign Minister will also run a newly created EU diplomatic service. This will consist of about 5,000 to 7,000 diplomats who will probably be situated in EU consulates in different parts of the world.

Article 32 of the TEU is interesting because it simply states that '*The (European) Union will have a legal personality'.*

The purpose here is to give the EU its own legal existence which takes it beyond being a co-ordinator of nation states. It is another important step in the movement towards a federal model, similar to USA, which is theoretically a separate legal entity from the individual states of, for example, Texas or North Carolina.

In practice, two developments will quickly follow from this. The EU will be able to sign up to international legal agreements on foreign policy, crime or judicial matters rather than simply on trade matters.

It also means that the EU will seek a seat on the UN Security Council as a legal personality in its own right and capable of speaking for the different countries that compose it.

Internally, the Lisbon Treaty reduces the influence of member states on the day to day running to the EU in a number of ways.

The voting system at the EU Council is to be changed so that it becomes harder for member states to block decisions. Article 205 of the TFEU states that from the year 2014 a qualified majority is defined as 55 percent of the votes of members of the EU Council, as long at they represent 65 percent of the EU population. A blocking minority must get the votes of enough member states representing 35 percent of the EU population.

This is a huge obstacle for smaller countries such as Ireland to overcome and so the EU leaders are confident that they will have effectively reduced national votes. By contrast it gives the big powers of Europe vastly more influence. An alliance of France and Germany with just two other countries can block any legislation – even if the other 23 are in favour.

The Treaty also gets rid of the right of each nation state to nom-

However the Lisbon Treaty creates an important default position. Article 2:2 of the TFEU on shared competence states that '*member states shall exercise their competence to the extent that the union has not exercised its competence'*. This clearly gives pre-eminence to the EU over nation-states, even in supposed areas of shared competence.

inate someone for the EU Commission. Instead, two-thirds of EU states will have a nominee on the Commission on a rotating basis and the other one-third will have none for one of the respective five years sessions.

The Lisbon Treaty also transfers more areas of 'competency' to the EU and away from nation states. The whole area of who exactly predominates – the EU or a national parliament – is quite confusing but essentially there are three different domains of decision making. In the first domain, the EU has 'exclusive competence'; in the second, there are 'shared competences' between the EU and member states; in the third, the EU simply 'co-ordinates, supplements or supports' the action of member states.

However the Lisbon Treaty creates an important default position. Article 2:2 of the TFEU on shared competence states that '*member states shall exercise their competence to the extent that the union has not exercised its competence'*. This clearly gives pre-eminence to the EU over nation-states, even in supposed areas of shared competence.

The overall result is to insert EU decision-making ever deeper into most areas of day to day life. So in energy or transport, for example, EU decision-making will now predominate. In all, the Lisbon Treaty will remove national veto in over forty areas.

Susan George is one of the writers who estimate that already about 80 percent of the laws adopted by national parliaments are adaptations of EU laws.[2] With the further transfer of powers, EU influence will grow even further.

Taken together, the measures which are outlined above are clearly not just 'tidying up' arrangements. These are serious efforts to lay the basis for

a United Sates of Europe.

In principle, there is nothing inherently wrong with such a project.

The nation state itself did not simply fall from the sky as a natural institution but was forged through intense conflicts and broader economic developments. Through a long and complicated historical process, peasants were, as one writer put it,[3] turned into citizens and stamped with the identity of a particular national formation. We were not born to be Irish or French or British but our respective nation states developed subtle and not so subtle techniques to get us to see the world through national spectacles. There is, therefore, no reason why national identities in future might not give way to super-national or internationalist identities. The dream of John Lennon's song *Imagine* of a world without borders is not entirely fanciful!

The real question, though, is on what basis is such an EU super-state being forged? If national identities are increasingly swapped for European identities, it is perfectly reasonable to ask will this mean more democracy or less? Will the change mean greater or lesser control of our lives by corporate executives or political elites?

Unfortunately, the evidence from both the Lisbon Treaty and the record of how the EU actually functions shows that it entails less, rather than more, democracy.

Susan George is one of the writers who estimate that already about 80 percent of the laws adopted by national parliaments are nothing but adaptations of EU laws. With the further transfer of powers, EU influence will grow even further.

The EU's Democratic Regression

In recent years, there has been a growing body of academic literature which sees the EU as a 'post-democratic structure' which is governed by a technocratic elite which wants 'efficiency' rather than any popular influence on decision making. Much of this literature comes from writers who favour

Ralf Dahrendorf noted that 'The (European) Union has now laid down very serious tests of democratic virtue for so called accession countries. If, however, it applied these tests to itself, the Union, the result would be dismal'.

greater EU integration.

Peter Mair, for example, argues that the EU has largely become a 'de-politicized' sphere and 'this is part of a more or less deliberate policy by mainstream political elites who are reluctant to have their hands tied by the constraints of popular democracy.'[4]

Ralf Dahrendorf noted that 'The (European) Union has now laid down very serious tests of democratic virtue for so called accession countries. If, however, it applied these tests to itself, the Union, the result would be dismal'.[5]

Giandomenico Majone has written a number of celebrated articles attacking those who lament the 'democratic deficit'. But his defence of the present structures is interesting, to say the least. He compares the EU to an independent regulatory agency that deals with market failures and argues that its policy making should not be based on 'majoritarian' institutions. 'Majoritarian' has become a polite term to sneer at the concept of one person one vote. Majone's case is that the lack of democracy is in fact a good thing![6]

There are a number of ways in which the shift in decision making to the EU means a regression in democracy.

First, the EU is an executive-run institution where the most limited of control is exercised by directly elected representatives. The EU parliament does not elect its executive. It does not even receive the full minutes of the EU Council or the EU Commission to scrutinise who is voting which way. It cannot sack individual EU Commissioners but must take the team as a job lot. When it was revealed that one EU commissioner, Jacques Barrot, had hidden the fact that he had been convicted of fraud and had received an amnesty from his ally

Jacques Chirac who made it illegal to even mention his crime in France, there was nothing the EU Parliament could do. It can veto the list of portfolio holders when they are nominated by the EU Commission President, but once in office it cannot single out any one to demand their resignation, and so Barrot is still the EU Commission Vice President. Even if a number of MEPs wish to get rid of the whole Commission, they must, according to the Lisbon Treaty, have the motion of censure carried by two-thirds of the votes cast.

When it was revealed that one EU bureaucrat ,Jacques Barrot, had hidden the fact that he had been convicted of fraud and had received an amnesty from his ally Jacques Chirac who made it illegal to even mention his crime in France, there was nothing the EU Parliament could do.

Second, the directly elected members do not even get to propose and decide on legislation by themselves. No group of MEPs can arrive at the parliament with a draft law on, for example, minimum standards on health care that are required throughout the EU and have it turned into law. Instead the unelected EU Commission submits a proposal to the parliament and then the most complicated of procedures are put in place to effectively shunt decision-making off into a sphere of back-door horse trading. Some times this occurs because the EU Parliament is merely consulted but does not get to decide. On other occasions, however, there is co-decision and the Lisbon Treaty, in fact, expands this area for the parliament.

But what exactly is co-decision? On a formal level, it involves an institutional maze in which there is a 'first reading' by the Parliament, then the European Council takes a 'common position', and then there is a second reading that is followed by 'Conciliation Committee' that mediates between the Parliament and the EU Council. All the time the horse trading and deal-making is in full swing so that any radical proposal is watered down. In reality, however, the situation is even worse than this mind numbing absurdity. According to an im-

portant report conducted by the Swedish Institute for European Policy Studies, the system really works though informal, shadowy 'trilogues' which often hammer out agreements between the different institutions in advance so that laws are fast-tracked though. The authors of the report conclude:

> The relationship between Council and Parliament involves a plethora of informal and semi-formal meetings in which many of the real decisions about legislation are taken with little scope for public oversight. We dub this process the "invisible transformation" of the co-decision procedure (and it) has affected relations among governments within the Council as well as making it more difficult for national parliaments to supervise how EU business is contradicted.[7]

The problem is further compounded by the fact that there are no real elections which focus on issues that are decided at EU level. Instead Euro-elections are fought out among local parties who broadly 'collude to keep the issue of Europe off the domestic agenda'[8]. They are effectively contests on how the national governments are performing and so are characterised as 'second-order national contests'[9]. The result is that few representatives go to Brussels with a mandate to take a position on EU matters.

Instead a group of failed or would-be national politicians are sent to Europe to receive, from 2009, a lavish salary of €7,000 a month plus generous expenses. Once there, they are likely to join one of the two largest groups in the Parliament: the PPE (Conservative) or the PSE (Socialist). These are supposed to represent the left-right of the political divide but the unusual structure of the EU Parliament means that there is often a consensus between the two blocks. There are frequently trade offs and informal alliances, with most decisions being made far away from the prying eyes of the people that are supposed to be represented. A recent example was a decision to introduce mandatory data retention in 2005. Here both political blocs agreed to a measure whereby an individual's phone records, e mail logs and details of internet usage are kept by corporate providers for between six months and two years to be made available to the police and intelligence agencies should they

request them. Clearly the people of Europe did not vote for such a repressive measure but it was imposed on them through a corrupted form of democracy.

The other institution which is supposed to provide a 'democratic input' is the EU Council and the Council of Ministers. Neither can be said to really exercise democratic control, if by democratic control we mean representatives deliberating based on mandates from their electors. Although the EU Council and the Council of Ministers make laws, the different Ministers do not meet jointly in one legislative assembly. Up until recently, their deliberations were secret but the new Treaty opens this up somewhat. However, it fails to bring transparency to the real locus of decision making – the COREPER. This is a permanent committee of ambassadors and top civil servants which meets once a week to haggle over the decisions. It is charged with dealing with a grey area between 'technical' and 'political' decision making. It works by coming up with a list of 'A points' and 'B points'. 'A' points are those which are agreed by COREPER and sent en bloc to the Ministers and then agreed by them without further discussion. They literally just sign off on the dotted line. According to one study between 70 percent and 90 percent of decisions are made this way.[10] The Ministers only vote on the 'B' points and even then the chair of the meeting will manoeuvre until there are enough votes for a compromise to go through.

Despite the fact that the top bureaucrats in COREPER are supposed to be servants of the elected representatives, that is not how it functions. The very fact that the structure is set up to mediate and achieve consensus between nation states, means the bureaucracy can change political positions into mere negotiating tactics. They get to say what are the constraints and opportunities for the home governments; they get to formally read out a position from their elected representatives and then negotiate it away. Far from being subject to any democratic control, informal contacts between the bureaucracy play a huge role in how decisions are made. According to one interviewee 'the really frank discussions take place over lunch'.[11]

The lack of democratic control means that the EU Commission

The Dutch Commissioner Neelie Kroes-Smit sat on the boards of twelve major companies including Volvo and the French arms group Thales. She also worked as a lobbyist for Lockheed Martin, the US arms manufacturer.

plays a huge role. This unelected body has the sole right to propose laws to an elected body. Article 249 b gives more 'delegated powers' to the EU Commission to '*supplement or amend certain non-essential elements of the legislative act*'.

The composition of the present composition EU Commission shows exactly how it is such a right wing force. Its President, Jose Barroso, is a former Maoist, who once supported the Chinese dictatorship but then switched to a fanatical pro-US position. Despite the fact that 84 percent of the Portuguese people opposed Bush's war on Iraq, Barroso worked closely with Tony Blair and the Spanish Prime Minister, Aznar, to get backing for the war. He was so subservient, that one opposition figure in Portugal dubbed him, the 'butler' to the big powers. His accession to the post of EU Commission President represented a victory for the backroom manoeuvres of the more pro-US countries within the EU.

Barroso told the *Financial Times* that 'in one sentence; his would be a pro-business Commission'.[12] He was ably assisted by the nominees sent to him by national governments. The Irish Commissioner, Charlie McCreevy, is so right wing that the Fianna Fail leader Bertie Ahern thought it wiser to send him off to Brussels. The Dutch Commissioner Neelie Kroes-Smit sat on the boards of twelve major companies including Volvo and the French arms group Thales. She also worked as a lobbyist for Lockheed Martin, the US arms manufacturer. The British Commissioner, Peter Mandelson, is a failed politician who resigned, not just once but, twice from his country's cabinet over dubious donations from business interests. If this is the key institution in the EU, is it any wonder that privatisation and attacks on the welfare state are the order of the day?

The Lisbon Treaty effectively does nothing to address the lack of democracy. Instead it makes things worse in three major ways.

It transfers more powers to an EU super-state whose decision making effectively lies outside of public scrutiny.

It strengthens the neo-liberal bias of the EU and so locks in a consensus around right-of-centre politics. 'Negative integration', where barriers to the free market are being removed, is the order of the day but any attempt to forge a 'positive integration', with greater public regulation over markets, are likely to be opposed as spurious efforts to hinder real competition.

It introduces a 'passerelle' clause that gives the EU Council the right to extend its powers without any further need for a new treaty. Passerelle is a French word for a footbridge but in reality it is a fast-track to greater EU powers.

Article 33 (3) says where *the treaty provides for the Council to act by unanimity in a given area or case, the European Council may adopt a decision authorising the Council to act by qualifying majority in that area or in that case.*

Defence and military matters are excluded but in all other areas this allows for the removal of a national veto. There is a provision to notify parliaments of the change but unless there is a vote against within six months, it can go through. In the Irish case, this will do away with the need for further referenda as the bandwagon of EU integration moves forward.

Through such mechanisms the undemocratic instincts that pervade the culture of the EU elite are revealed.

Efficient for Business

The lack of democracy in the EU is often justified by a need for 'efficiency'. How, it is asked, could a continent of 450 million people be run on democratic lines?

By the same token, however, it might be suggested that the people of India or China should give up aspirations for democracy because their countries are too big! The efficiency argument is spurious because it avoids the simple question: efficient for whom?

In reality, the structure of the EU makes it highly efficient for big business to shape public policy behind closed doors. Brussels

has become the lobby capital of the world – second only to Washington. The total number of its lobbyists is an estimated 15,000. There are so many that the Society of European Affairs Professionals sent a letter to the President of the EU Parliament complaining there were not enough seats and headphones for them. A staggering 5,000 lobbyists are accredited with full time access to the parliament building![13]

The vast majority of lobbyists, an estimated 70 percent, come from business interests – because only they have the resources to fund them. One former employee of a major lobbying firm estimated that turnover on corporate lobbying amounted to between €750 million and €1 billion in 2005.[14]

Almost every industry has its own lobby groups varying from the tiny European Bottled Water Cooler Association to the Chemical Industry Federation which employs over 140 people in its Brussels office. At the top of the pile are the big five 'public affairs' agencies who advise businesses on how to get their way – Burson-Marsteller, APCO, Fleischman-Hilliard, Hill and Knowlton and Weber Shandwick. These firms often recruit former members of the political elite to work for them and so create a revolving door that intensifies their influence. Pat Cox, the former Irish President of the European Parliament, now works for APCO as well as running his own smaller 'consultancy' firm. Similarly, Michiel van Hulten, a former MEP and chair of the Dutch Social Democratic Party now works for Burson Marsteller.[15]

The EU is an ideal environment for the corporate lobbyists because within its maze, the pure, free market spirit provides almost unlimited opportunities. In all, there are approximately 2,000 committees working in the EU. They draft laws, oversee their implementation, hold hearings and, even when their proceedings are held in public, the sheer complexity of the structure gives a shelter to big business to promote its interests. The EU also goes out of its way to facilitate them.

It sets up expert advisory committees which become official fronts for corporate interests, even though they sometimes do not even record their proceedings. There are, for example, 1,350 drafting committees which 'pre-cook' proposals for EU law but

some are entirely 'informal'. One of the most prominent lobbyists, Daniel Guegin, admitted that lobbyists press to set up new expert groups so that they are in a good position to 'control the agenda'.[16] The European Climate Change Programme on reducing CO2 emissions from light duty vehicles, for example, has nine representatives from industry associations and only two genuine NGOs.

The Tobaccos Control Stakeholder Consultation Expert Group has 24 industry representatives and only 2 from trade union and consumer organisations.

The corporate lobbyists target both the unelected EU Commission and EU Council where national politicians can operate with less public scrutiny.

By turning their ideas into a highly technical discourse, they interact with the permanent civil servants to feed them 'advice'. They wine and dine MEPs at expensive briefing lunches organised by think tanks which are little more than front groups for large corporations. Bigger firms like Burson Marseller even engage in a practice known as 'astroturfing' where they set up fake, grassroots campaign groups to help their lobbying efforts.

Business devotes vast resources to these practices because they know it works. The results, unfortunately, have dramatic effects on the lives of millions. Take the immense power of the bio-technology industry, for example.

In the late nineties, it lobbied extensively for their right to 'own' the living cells of animal and even human body parts.

According to the SmithKlineBeecham lobbyist, Simon Gentry, that company spent €20 million on the campaign.[17] In 1998, they got their way with the Life Patent Directive which helped to take capitalism to a new and more intrusive level.

The population of Europe are opposed to GM food but the EU Commission have an extremely close working relationship with lobby groups, such as EuropaBio, the industry front group.[18] Their latest push is to use biofuels as a way of supposedly dealing with the climate crisis.

The EU has recently adopted a target that 10 percent of the fuel for road transport will come from biofuels by 2020. The idea came from the Biofuels Research Advisory Council, an expert group that

was drawn predominantly from the oil, car and biotech industries.

This, then, is the type of super-state we are being asked to endorse in the Lisbon Treaty. The Irish referendum gives us a rare opportunity to hit back at the corporate aristocrats who dominate our world.

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Chapter 5:

The Yes Chorus

The political establishment are united in campaigning for a Yes vote. But they are devoid of either consistency or serious argument.

The saddest case must be the leaders of the Green Party. As recently as 2006, they opposed the Defence Amendment Act because it allowed for the involvement of Irish troops in EU battle groups. Green Party representative Deirdre De Burca was even a member of the campaign against the EU constitution right until the moment when she was appointed a Senator by Bertie Ahern. Then she changed her position and is now supporting a Yes vote as a 'critical insider.'

In the case of the Greens, it would appear that the rewards of office appear to vastly outweight any political principle.

The defection of the Greens, leaves Sinn Fein, the People Before Profit Alliance, Labour Youth, the Socialist Workers Party and the Socialist Party as the main campaigners for a No vote. The arguments against the treaty will come predominantly from the left.

The Yes argument, by contrast, pretends to straddle a left-right divide but in reality it is one that supports a neo-liberal Europe that is arming for future conflicts. It rests on a small number of positive arguments; a strong dose of irrelevancies and a number of smears. We shall work in reverse order and deal with each in turn.

Smears

Last year, the *Irish Times* ran a strange story under headline 'Le Pen may come to Ireland to oppose EU treaty in poll'. There was literally no substance to the story beyond a statement that the French fascist had *not* received an invitation to join a campaign in Ireland but that *if* he got an invitation he might be interested. In brief, it

Fianna Fail party which is leading the Yes camp is a member of a European alliance which includes the League of Polish Families, which has defended the pogroms against Jewish people during WW2, and Italy's National Alliance, a reformed fascist party whose membership still sympathises with politicians like Le Pen.

contained no facts.

On the same day in the Dail, the Fine Gael leader Enda Kenny followed up the non-story with the statement that 'Every head banger in Europe will probably be in Ireland when the referendum takes place'.[1]

And so it has continued. The discourse of the Yes camp relies on framing their opponents as 'head bangers', 'extremists', 'usual suspects' or associating them with strange 'foreigners'. The reference to Le Pen was interesting because the Yes campaign likes to cloak itself in the vaguest of progressive colours. They have no problem with privatisation or a return to the power-play of empire and EU battle groups, but they want to imply that their opponents are backward and motivated by right wing sentiments.

The fact of the matters, however, are that all the leading elements of the No campaign have publicly stated that Le Pen is not welcome here and have a strong anti-fascist record. By contrast, the Fianna Fail party which is leading the Yes camp is a member of a European alliance which includes the League of Polish Families, which has defended the pogroms against Jewish people during WW2, and Italy's National Alliance, a reformed fascist party whose membership still sympathises with politicians like Le Pen.

When it comes to links with fascist head-bangers, it would appear that the Yes camp is looking the wrong way.

Irrelevancies

Many Fianna Fail politicians are uneasy debating foreign policy issues and so tend to fall back on irrelevancies. So they argue that the referendum is about whether people are for or against Europe.

Making a pitch for a logical syllogism, the Foreign Minister Dermot Ahern denied that people could be pro-European and oppose the Treaty because, he argues:

> The Reform Treaty contains a number of sensible adjustments designed to enable the EU to function more effectively. No one who claims to be pro-European could logically reject a Treaty that will provide for a better European Union.[2]

The problem with Ahern's argument is that it rests on a presumption that he does not bother to support. He avoids debating how exactly the Lisbon Treaty is either more sensible or more effective for the majority of the people of Europe. He just assumes that what is good for the corporate and political elite is good for everyone.

Junior Minister Dick Roche is even more explicit about this. He seeks to de-politicise the issue by his repeated claims that the treaty is simply about the EU modernising its decision making procedures.

> The shareholders of any good company know that one must modernise and update decision making and organisation structures to meet new and evolving challenges. The ratification of the EU Reform Treaty will ensure that the EU ... will be able to take political decisions in a structured and streamlined way.[3]

Roche speaks the banal, boring language of a business executive and continually misses the obvious point that Europe is not a corporation run by privileged shareholders. There have to be political debates about which groups gain the most from a treaty that removes all 'distortions' to the free market.

There should be no real argument in modern Ireland 'about who is for or against Europe'. The Yes camp have no right to claim that corporate interests are more 'pro-European' than the hundreds of thousands of trade unionists who have demonstrated for a social Europe.

The real issue is what kind of Europe we want. That serious

debate cannot be avoided by claiming that the EU will stop working if the Irish vote No or by telling the people not to be a 'laughing stock' or 'bad Europeans'. Argument by blackmail is rarely convincing.

Arguments

When it comes to real arguments for why people should vote for this particular Treaty, the Yes side tend to pick on a few peripheral points in order to over-hype the positive.

a) *A Greater Role for National Parliaments:*

The EU elite know that the majority of people think that the EU suffers from a lack of democracy. To sell the Lisbon Treaty, they try to convey an impression that it is being democraticised via either the national parliaments or the EU parliament. The point about the EU parliament's new rights to co-decision has been dealt with in the last chapter. The claim about national parliaments is even more trivial.

Protocol 1 and 2 of the Treaty contain provisions for national parliaments to be notified of EU impending legislation. They then have an eight week window to consider the matter but can only comment on whether the draft laws breaches the 'principle of subsidiarity'. In other words, do EU decisions delve into areas that are properly the preserve of national or local governments? National parliaments cannot veto continent-wide directives to 'open the market' such as the postal directive which will break up postal services.

In the unlikely event that one third of EU parliaments all decide in an eight week period to object, Brussels will have to 'review' their draft and then decide either to 'maintain, amend or withdraw' the draft.

In the even more unlikely event that half of all parliaments come to the same opinion in the eight week period, Brussels will have to re-consider and if they go ahead, they must get at least 45 percent of the EU Council or parliament to agree that their legislation is not in breach of the principle of subsidiarity.

Wow! Bureaucracies must be trembling before this mountain

that has produced such a tiny mouse.

b) Simplifies Decision-Making

Using taxpayers' money to promote a Yes vote, the Department of Foreign Affairs has produced totally inadequate 'guide' to the Reform Treaty. In it they claim that the treaty 'simplifies the way the Union works and helps it to function better.'[4]

Sometimes this is linked to an argument that enlargement of the EU to 27 members means that decision-making has to be 'streamlined' otherwise the EU will be paralysed.

The EU elite, however, are using the issue of enlargement as a cover to centralise decision making in a more undemocratic way. There is no evidence to date that voting among 27 states as against 15 has led to 'paralysis'.

The EU Commission itself acknowledges this. On its own website dealing with 'myths and facts about enlargement' it deals with the question: Has not enlargement paralysed the functioning of the EU? Its answer is interesting:

> The accession of ten new members in 2004 and of Bulgaria and Romania in 2007 has not slowed down decision making. The EU institutions continue to function; new members of the European Parliament play an active role in its political groups; the Barroso Commission works effectively with 27 Commissioners; and the Council takes decisions as well as before.[5]

A study quoted by the *Economist* magazine from the prestigious Sciences Po university in Paris claimed that since enlargement 'overall, the EU has been adopting rules and regulation some 25 percent faster.'[6]

When the Yes camp talk about 'simplifying' and 'streamlining' what they really mean is the abolition of national vetoes and more powers to the EU Commission, the EU Foreign Minister and the future EU Council President to 'fast-track decisions' in ways over which we have less control.

If the EU Commission gains more power to impose agreements it negotiates at the World Trade Organisation on 450 million people, it may be 'simpler'. But it also means less democracy and more

The Labour Party has claimed that the inclusion of a Charter on Fundamental Rights gives the EU a 'soul'. Party spokesperson, Joe Costello says they will 'highlight the Charter as the bedrock of the new Treaty of Lisbon. This is clearly overblown hype and is not factually correct.

privatisation.

c) A Charter for Fundamental Rights

The Labour Party has claimed that the inclusion of a Charter on Fundamental Rights gives the EU a 'soul'. Party spokesperson, Joe Costello says they will 'highlight the Charter as the bedrock of the new Treaty of Lisbon.'[7]

This is clearly overblown hype and is not factually correct.

Article 6 of the TEU states that '*the provisions of the Charter do not extend in any way the competencies of the Union as defined by the Treaties*'. As if to make doubly sure, the same article states that the '*rights, freedoms and principles in the Charter will be interpreted in accordance with the general provision of Title V11 of the Charter*'. But this title says explicitly that:

> *The Charter does not extend the field of application of Union law beyond the powers of the Union or establish any new power or task for the Union, or modify the powers and tasks defined in the Treaties.*

It could hardly be clearer: the people of Europe get no extra rights for the EU to enforce with anything like the same enthusiasm with which it pushes an open market based on 'free competition'. The reality is that the Charter of Fundamental Rights contains a list of laudable objectives that do not add anything to what is already contained in most national constitutions. Above all there are few specifics and even these are inadequate. The right to marry is there – but the right to divorce is missing. There is a right to life but there is no reference to a right to contraception or abortion. There is a right

to strike – but employers also have a right to take 'collective action', including, it can be assumed, a lock-out

Just like the Charter, most national laws outlaw slavery, respect a right to liberty, give a right to marry and grant freedom of conscience. The problem, however, is that there is a massive gap between declared, formal rights and the actual material circumstances which enable some to enjoy more of these rights than others.

So, for example, the Charter acknowledges the 'rights of the elderly to lead a life of dignity'. But when corporations refuse to contribute to pension funds and when governments turn the care of the elderly over the private 'service providers', dignity can be rapidly eroded through poverty. There is nothing in Charter to stop EU leaders promoting these very same policies that attack the dignity the elderly.

There are also other contradictions between the broad aspirations of the Charter and the EU's own record.

Article 8 of the Charter, for example, gives people a right to the protection of their personal data. But the EU has already agreed that the police can get access to everyone's telecommunication data for 'criminal investigations'. In the wake of 9/11 the EU also defined as a 'terrorist offence' actions which are *'unduly compelling a government or international organisation to perform or abstain from performing any act'*. This is catch-all definition can be used against any protestor to deprive them of their civil rights.[8]

The Labour Party and the union leaders point to the provisions in the Charter which give workers rights to consultation, collective bargaining or protection against unjustified dismissal. But again these add nothing to pre-existing laws and in many instances include the clause *'in accordance with Union law and national law and practices'*.

All of these 'solidarity' rights are overseen by the European Court of Justice but this court has revealed its anti-union bias in the recent Laval judgement. This arose out a case where a Latvian company, Laval un Partneri, posted several dozen workers to building sites in Sweden, in one instance to re-furbish a school in Vaxholm. Swedish unions took action against the Laval's refusal to

sign a collective agreement and to respect Swedish laws on working conditions and minimum wages. The case was eventually referred to the ECJ.

The court deemed that the union action at the building site was illegal under EU rules on freedom to provide services. It claimed that the collective action Swedish trade union took to force Laval into an agreement were likely to make it more difficult for the company to carry out construction work and so constituted a restriction on its freedom to provide services.

This is a devastating legal blow to union rights. While the court recognised the right to take strike action, it made that right conditional on not curtailing a superior right to free movement of goods and services.

Two responses highlight the seriousness of the judgement. The European Trade Union Confederation stated that

> There could be negative implications for other countries from this narrow interpretation of the posted workers directive. There could also be implications for unions' ability to promote equal treatment and protection of workers regardless of nationality and there will be concern that union's ability to guarantee these objectives is threatened by the free movement of services principle.[9]

Poul Nyrup Rasmussen, the leader of the Party of European Socialists (PES) – to which the Irish Labour Party is affiliated – was even more forthright

> Europe has shot itself in the foot today – how can the court spread so much uncertainty on such a fundamental question? On the one hand, they recognise the right to collective action by trade unions; on the other hand the Court creates uncertainty on which agreements should be respected.
>
> This is not a ruling for a social Europe. This is a foggy day which could provide cover for bad employers and wage cutters. (It signals) that Europe is more interested in competition between workers than in raising living standards for all families.[10]

Rasmussen was worried that the judgement could have 'negative consequences' for the referendum in Ireland. He is absolutely right.

This devastating attack on union rights is another good reason to vote No.

---

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3 Statement on the EU Reform Treaty from Dick Roche. Fianna Fail :Press office 4 January 2008

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7 'New charter provides road map for citizen's rights in the EU' Press Statement Joe Costello 12 December 2007

8 See T. Bunyan, 'The War on Freedom and Democracy' www.statewatch.org

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10 'Union frustrated at Court ruling on posted workers' Euractive.com 19 December 2007

Massive Vote No meeting in Grenoble

Another in Brest

Chapter 6:

What is at stake?

A few months before the French referendum, Dominique Strauss-Kahn, a former French government minister said, 'This referendum is bloody stupid. We were bloody stupid enough to ask for one and Jacques Chirac was bloody stupid enough to call one.'[1] He had just seen a glimpse of what was coming.

The French vote terrified the rulers across Europe and now they wait anxiously on the Irish vote. Party leaders Bertie Ahern, Enda Kenny, Eamonn Gilmore and John Gormley have assured them that everything will be alright on the day. But if the lessons of the French referendum are learnt quickly there could be another resounding No.

The first lesson is that the way to win is to fight from the left. Irish debates on the EU have focussed for too long on 'national sovereignty' and defending De Valera's constitution of 1937. Originally these were the slogans of the Fianna Fail party who used the memory of a fight against the British empire to wrap themselves in the green flag. Their aim then – as now – was to use this rhetoric to promote Irish business and look after themselves as they did so.

The No campaign should not try to recycle that rhetoric. After more than a decade of corruption scandals, it is self-evident that big business can bribe an Irish politician as easily as they can control a Brussels bureaucrat. The central issue is how does the No campaign feed into a wider EU battle for workers' rights and against war.

The campaign needs to go to postal workers to show how the EU postal directive will affect their jobs. It should remind the families of Aer Lingus workers how the EU was used to privatise the national airline. It should alert everyone to the dangers posed to public services by the philosophy of a 'free, undistorted market'. It should mobilise the anti-war movement to oppose the EU battle

groups and not to be taken in by talk of 'humanitarian missions' which are a cover for power grabs.

By tapping into this enormous well of resentment and resistance, a powerful movement can be build to challenge the political establishment.

Back to the Future

In recent years, the Irish political scene has operated at one remove from Europe. The main reason was that a traditional Irish nationalism re-appeared under the new guise of the Celtic Tiger success story. The mantra was endlessly repeated: 'We' are the success story of Europe; 'We' have played the globalisation game and won; 'We' were the cute ones who cut taxes on profits and reaped the rewards. The message got a hearing because the long economic boom generated an atmosphere of social peace.

In the rest of Europe it was different. The era of social peace belonged to the fifties and early sixties when Christian Democrats and Social Democrats forged a consensus on Keynesian economics. The golden age of post-war European capitalism enabled both the right and the left to support a welfare state. Both also backed an EU which had been forged around 'the Monnet method' – called after the EU architect Jean Monnet who thought that an apolitical technocratic elite would bring about European integration.

While Ireland was enjoying its comparatively short Celtic Tiger boom, Europe shifted from a zone of consensus to one of instability. Using the rhetoric of globalisation and competitiveness, the EU elite argued for the dismantling the welfare state. They tried to reduce the share of the economy going to wages and social security in order to increase profits, CEO salaries and dividends

Their excuse was that they needed to 'modernise' because of competition from China and India. They never explained why the economic development of huge parts of the globe only poses a threat within a capitalist framework that organises everything through competition. They also exaggerated that 'threat' as way of disciplining their workforce and increasing the rate of exploitation.

In fact, the main competition for many EU workers still comes

from the US where major defeats had been imposed on workers. The US is the only advanced industrial country where average hours worked per year has increased. Currently, the average US employee works 2,000 hours a year compared to 1,560 in Germany and 1,650 in France and Ireland.

The EU leaders want to impose the same discipline on European workers so that they can compete with their US and Chinese rivals. The aim of the open market is to remove any obstacles that stand in their way.

European workers have been resisting in their millions. There have been enormous general strikes in France, Spain, Greece, Italy and Portugal. Ever since 1995, France has been at the centre of this resistance, defeating – though mass mobilisation – attempts to change social security systems and the introduction of a law which would have paid younger workers less than others. The French No vote on the constitution came out of this tremendous spirit of resistance.

The opportunity to vote NO has now been handed to Irish workers and it comes at an important time.

Fianna Fail won the last general election because many hoped that their victory would prolong the Celtic Tiger boom. The Labour Party made it easier by abandoning any critique of right wing economic policies and rowing in behind Fine Gael. But today the illusions about the economy are fading.

The Celtic Tiger has died and has left the Irish population with a major headache. The boom was, in fact, artificially prolonged by a state inspired policy of promoting housing speculation.

Drawing on a similar model to the US, a tight network of bankers, politicians and builders – ably assisted by stockbroker economists – hyped up the property market to astronomical levels. They encouraged the population to take on huge levels of debt and to speculate on rising prices. State support for social housing was cut and the pure unregulated market, that the Lisbon Treaty promotes further, was let rip.

The result has been a disaster waiting to happen. In the ten year period between 1996 and 2006, house prices rose by 283 percent – the fastest rise anywhere in the world, bar Estonia. Younger

people, in particular, must pay with inflated rents and mortgages which consume a huge chunk of their income. The Irish are now one of the most debt-burdened people in Europe, with a ratio of debt to disposable income of 140 percent.

Instead of using the good fortune occasioned by the Celtic Tiger to build up a proper rail infrastructure, decent health services or fully equipped schools, the neo-liberals kept saying 'don't interfere in the market'. When the housing crash coincided with a global downturn, they just intensified their message by calling on Irish workers to get even more 'competitive'. Wage increases are to be kept to a minimum; workers who want to keep defined benefit pension schemes have 'unrealistic' expectations; public services are to be whittled away as a gaping hole has opened in government revenues with the property crash.

To put it more succinctly: the Celtic Tiger boom has ended and the Irish are being pulled back into the European maelstrom where a real battle is being fought out between those who want a 'social Europe' that puts people before profit and those demanding a neo-liberal Europe with more 'flexibility', 'competitiveness' and a strong military super-state.

Organising

The French No vote was won through a major social movement that tapped into the concerns of millions.

It began with an appeal from an anti-neo-liberal think tank, Foundation Copernic, for a left unity campaign. Unity committees were established from below and were open to all on an individual basis, as opposed to structures based on organisational affiliation.

They had a fluid organisational character which was referred to as a 'human chain'. Virtually all groups who were opposed to neo-liberalism participated. In early march, 150 such unity committees were set up. By mid-April, there were 500. When the referendum came at the end of May, there were 1,000 across France. They became a core of a much wider word-of-mouth movement that carried the argument against the Treaty.

Here is how one writer described how the No vote was won in

his area:

> In the 20th arrondissement (district) of Paris, the call to form a unity committee was launched by a local Committee to Defend Public Services, itself set up on the back of the 2003 strikes against Raffarin's pension reforms. All the currents of the anti-neoliberal left participated in the group, but around a quarter of its 200 members were new to politics.
>
> A core of around 50 activists attended the committee's weekly meetings for three to four months, discussing the issues thrown up by the campaign before organising their activities for the week ahead. The committee drew up six or seven different leaflets during the campaign, and distributed 40,000 copies of them in the local area.
>
> Even taking into account the inevitable unevenness of the national campaign, the existence of around 1,000 such committees demonstrates the remarkable level of organisation and commitment achieved by the movement.
>
> The campaign in all its aspects can therefore be seen as the concentrated expression of the accumulated experience of more than a decade of struggle against the neo-liberal agenda of the mainstream.[2]

Ireland is much smaller than France, so it is unlikely that fifty people will gather in unity committees once a week. The record of social struggle is also far lower. But the method is the key to victory.

We need a No campaign that is open to all who want to fight the Treaty because it entails neo-liberalism and war. Such a campaign should have nothing to do with fanatics who worry about abortion or homosexuality and want to defend holy Ireland. It should involve organised socialists and individuals with no affiliation. It should bring in trade union branches and anti-war groups. Above all else, it should be built from the bottom up, by the initiatives by the many hundreds of activists who have emerged in Ireland in recent years.

The Positive Message: Another Europe is Possible

The elite get to frame the question and so our answer has to be

a No. But that should not stop us getting out a positive message about what we want. We should not let them set the terms of the debate and tell us what sort of Europe is possible or 'realistic'.

As we have seen the Lisbon Treaty is built around a central axis of promoting market competition. A positive alternative will draw on a socialist outlook to promote measures which improve the lives of the majority. Instead of rules which prevent governments interfering with the free market, the EU should take democratic decisions to reverse the social vandalism caused by neo-liberalism.

A positive constitution for Europe could require:

- *Governments to introduce a mandatory pension scheme.* Companies claim that they would become 'uncompetitive' if they contribute to pension funds for their workers. So let's take the pressure off by making them *all* contribute.
- *Minimum standards on access to health care.* The EU should mandate governments to guarantee equal access to health care – regardless of income.
- *Make the provision of childcare compulsory.* No government in Europe would dare claim that they cannot 'afford' to pay for primary education but the Irish government gets away with virtually no pre-school facilities. As a result, Irish parents pay 20 percent of their annual income on childcare as against an EU average of 12 percent.
- *A Charter that gives real social rights.* Everyone has a right to accommodation and shelter. Instead of leaving that right to market forces, governments and local authorities should be mandated to provide accommodation where necessary.
- *An entitlement to a minimum number of holidays.* Annual leave and public holidays vary across Europe, amounting to 29 days in Ireland as against 38 for Austria. In the 21st century, we need a constitution that gives workers a legal right to the higher number of holidays
- *Cut military spending – divert money into public services.* On average, EU countries spend about 3 percent of their budgets on military spending. But after the fall of the USSR, there is no fear about being attacked. Instead of a Growth and Stability Pact, Eu-

rope needs an Arms Restriction Pact to cut military spending to 1 percent or less. That will free up vast sums for quality public services.

- *Public control of banks – No support for speculation.* The European Central Bank should be answerable to the people of Europe. Instead of subsidising financial speculation, it should monitor banks and take into public ownership those that have squandered savings.
- *Real solutions to climate change – not carbon trading.* We will not solve climate chaos by dividing up the earth's atmosphere into 'pollution slots' and creating another new market in 'carbon emissions'. The EU is uniquely placed to take the continent-wide measures that can help save the planet. Its constitution should help break the grip of the fossil fuel industry by supporting sustainable forms of energy. If people are to get out of their cars, the EU should be promoting public transport on a vast scale. Instead of telling government not to spend on public services, it should ban corporations creating vast amounts of waste and packaging.

There is much that an EU constitution could do. And positive moves in that direction, should be welcomed. But to get to that point, we first need to get rid of the Lisbon Treaty.

Let's just do it.

---

1 J. Wolfreys, 'How the French Referendum Caught Fire' *International Socialism Journal* No 107 2005

2 ibid

What you can do:

- **Make sure there is a broad, open, campaign in your area to maximise the vote. Organise regular meetings where you discuss some of the political aspects of the Lisbon Treaty and how to respond to arguments on the door steps.**

- **Get literature from whatever source you feel most comfortable – or get your group to write its own leaflets. Distribute them widely and intervene actively in the local media.**

- **Socialist Worker activists are providing their own distinctively left wing arguments for the campaign which you can access at any time.**

- **Our paper, Socialist Worker, will focus on the arguments over the coming months and respond to Yes propaganda**

- **A special VoteNo.ie website has been started to respond to arguments and generate left wing material on the Treaty.**

- **We will provide speakers who will outline clearly what the Lisbon Treaty entails via a power-**

point presentation. Contact our national office on (01) 872 2682 to book a speaker.

- **You can download posters on the VoteNo.ie site to carry the message. Feel free to change or adapt them – we do not believe in rules of 'intellectual property'**

- **A special text line phone number has been established to help out with campaigning. Just text the words VoteNo to 087-6347648 and we will contact you.**

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A ***Socialist Worker*** pamphlet

The Lisbon Treaty is the most serious challenge facing anyone who cares about social justice.
This booklet argues that there are good reasons to vote NO.

* It will lock Europe into a straight jacket of neo-liberalism and makes little provision for a social Europe.

* It does nothing to address the lack of democracy and helps create an EU super-state.

* It gives legal support to EU battle groups and NATO. It will also force countries to increase military spending.

The Lisbon Treaty is virtually the same as the EU Constitution which was rejected in France and Holland. Bertie Ahern acknowledged that when he said, "Thankfully, they have not changed the substance... 90 per cent is still there."

It is fundamentally undemocratic to deny the rest of the people of Europe a vote because the elite fear how they might use it. For this reason also we should vote **No**.

€5

REASONS TO VOTE NO TO THE LISBON TREATY

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